



## NEWS: EUROPE

Despite the 'waltz of the generals' Paris is determined to keep troops in Bosnia

## Friction with UN fails to deter French

By David Buchan in Paris

France still considers that pulling its blue helmet troops out of Bosnia would be "catastrophic" because the war might spread, but it regards the prospect of retreat as no longer unthinkable, a senior official said yesterday.

The deepening gloom in Paris, which led Mr Alain Juppé, the foreign minister, yesterday to call urgent consultations between the European Union, the US and Russia, is the result of the failure of the Geneva negotiations to produce any diplomatic breakthrough, of intensification of the war with the beleaguered Bosnians now fighting back and causing French casualties in the process, and of command difficulties with the United Nations.

President François Mitterrand is shortly expected to propose to Mr Boutros Boutros-Ghali, UN secretary general, that General Bertrand de Lapresle, commander of France's rapid reaction force, should succeed General Jean Cot as the head of the United Nations Protection Force in the former Yugoslavia.

Gen Cot ran foul of Mr Boutros-Ghali for publicly criticising the UN chief for hamstringing his operation, and his departure by March 31 is being reluctantly accepted by Paris.

Apart from General Cot's

somewhat choleric reputation even inside the French military - which contrasted with the more impetuous temperament of his predecessor, General Philippe Morillon - French officials see more general reasons for the chronic friction between commanders on the spot and UN headquarters in New York. The military commanders "not only have no real political power behind them, but also do not have the proper means to carry out a mission which the politicians keep increasing."

Last summer, the UN gave them the task of creating "safe havens" for Moslem refugees, last autumn the European Union came up with the idea of creating a "humanitarian corridor" into Bosnia from the sea.

France's chief military frustration with the UN has been over the procedure for authorising possible air strikes to enforce UN resolutions. At the outset it was agreed that initial authorisation had to come from the UN secretary general, while authority for subsequent air strikes could come from the UN Security Council. But the air threat has been regarded as bluff by the warring parties, who know well Mr Boutros-Ghali's reluctance to order bombing raids. In two separate ways, French commanders have tried - and failed - to make the threat more credible.



Sarajevo yesterday: two grieving sisters of a Bosnian soldier killed three days ago

General Cot asked the UN to delegate to him the power to generally initiate air strikes on forces directly attacking the UN military troops, buildings or convoys. Mr Boutros-Ghali refused, but the French government did not make a fuss, choosing to treat it as an issue between the UN chief and his local commander.

After this month's Nato summit threat to use possible air power to force the opening of the Tuzla airfield in northern

Bosnia, France made a proposal which it thought would save the UN secretary general's worry about giving carte blanche to a general. It suggested that, in the precise case of Tuzla, Mr Boutros-Ghali should delegate to his Japanese deputy in Bosnia, Mr Yasushi Akashi, the right to order an air strike. Again, Mr Boutros-Ghali refused. His failure to trust even his own deputy has angered Paris.

The growing French view is

that the UN in New York is not up to its job. "Not only do they have too many UN troops to worry about - 34,000 around the world - but they have a culture which is capable of managing static situations like Cyprus, but not fast-moving conflicts like Bosnia or Somalia," an official said yesterday.

Friction with the UN is, however, something which France appears willing to live with, even if it causes what is being dubbed in Paris "the waltz of

the generals" in and out of Bosnia. In the end, it will be the warring parties' behaviour in Geneva and on the battlefield that will determine whether the French stay. Among their partners in ex-Yugoslavia, Paris is aware of the growing inclination of Britain and Spain to pull their men out. "Any departure will have to be co-ordinated," said an official yesterday, adding: "We don't want another Dunkirk."

## Reformer quits rather than cry surrender

By Laysa Boulton in Moscow

The departure of Mr Boris Fyodorov, Russia's 35-year-old finance minister, leaves a gaping hole in the country's capacity to reform the economy.

His prevarication over whether to quit once his conditions for staying were questioned demonstrated his reluctance to be seen as a quitter at a perilous juncture for reform. Unlike his resignation from the same job in December 1991 - when he pointed out that Mr Yeltsin was not ready to even start economic reform - he knew how much there was to lose if he left this time around.

His departure is a triumph for the tired former managers of state industry who will now attempt to fight inflation by means other than tough monetary and fiscal policy.

"It shows the government is determined to change tack and see if there are other ways to control inflation," said one western economist.

"I would expect what they are saying - more support for industry and agriculture and less reliance on markets to determine economic restructuring. It is a change of direction rather than going from one extreme to another."

Although it does not mean the death of economic reform - which would now be difficult to stop - it does herald a slowing of its pace and a reduction in its quality.

It means the loss of a highly effective and honest professional to a government that has no ministers, with the exception of Mr Anatoly Chubais, the deputy prime minister responsible for privatisation, who can point to any concrete achievements.

Part of the problem for Russian economic reform has been a dearth of talented figures to push it through - and the lack of a comprehensive and synchronised policy programme.

Over the past year, Mr Fyodorov has struggled relentlessly to curb Russia's very high inflation, and at the very least, fended off a very real threat of hyperinflation.

He was also accused in the process of starving various ministries of funds to spend on industry, defence and state employees. But he had very little choice in a government accustomed to taking spending decisions it could not afford.

His attempts to impose some financial discipline have also been attacked as only part of the solution to inflation, now around 20 per cent a month, with everybody from the central bank chairman to Mr Alexander Shokhin, newly-ap-

pointed economics minister, stressing the need to promote competition in the highly-monopolised economy.

But it is hardly an indictment of Mr Fyodorov that he carried out his duties as a finance minister, while colleagues such as Mr Oleg Soskovets, the first deputy prime minister for industry, produced no tangible results in restructuring industry.

Since returning to Moscow in December 1992 from Washington, where he represented Russia at the World Bank, Mr Fyodorov single-handedly pushed through many institutional reforms to build a market economy in Russia - one example being the scrapping of state subsidies disguised as bank credits, which may now be reversed.

He also attracted bright Russian economists to the finance ministry, who may now quit. These include Mr Sergei Alexashenko, a talented economist who has been instrumental in redesigning Russia's budget system to meet the requirements of a more decentralised Russia.

His departure will also be a blow to the confidence of western financial institutions, creditor banks, and large sections of Russia's business community. Mr Fyodorov, who is both witty and articulate, had become the preferred interlocutor for Russian and western capitalists.

To a certain extent, this fighter of a minister had painted himself into a corner by saying he would resign if Mr Victor Geraschenko stayed on as central bank chairman and if Mr Alexander Zaverukha remained deputy prime minister responsible for agriculture. But his ability to resort to every weapon - including angry public declarations which he described as moral pressure - was part of his strength.

It was this sort of behaviour that saw him force Mr Geraschenko to agree to broaden the currency market and bring ridiculously low interest rates - which had been later a major source of corruption - closer to inflation.

Although he was the man many loved to hate, many of his supposed enemies will be sorry to see him go - at the very least for pursuing a clear policy rather than no policy at all. "He was right not to give money to everybody who wanted it," said one executive at AvtoVas, Russia's largest car producer. "Why should he give more money to agriculture when we cannot even reap what we sow?"

## Russians muscle in on oil deals

By Steve Levine in Ankara and Robert Corzine in London

Russia is pressing for equity shares in some of the biggest oil and gas projects being undertaken by western companies in other former Soviet republics, but without putting in any capital.

Lukoil, a Russian state-owned energy company, is seeking a share of oil and natural gas fields to be developed by western companies in Kazakhstan. The move comes only weeks after Lukoil was allowed to participate in the Azerbaijan government's 30 per cent share of a British Petroleum-led consortium to develop offshore Caspian Sea fields.

The company is relying on political and economic pressure from Moscow to muscle into "all the major oil deals" in

Kazakhstan, said a western diplomat in Alma-ata, the Kazakh capital. "They are after an equity share in these deals without (putting) any equity into them," he said.

One of Lukoil's main targets is the Karachaganak gas field in northern Kazakhstan. It is the focus of a \$5bn development by British Gas and Agip, the Italian oil company.

The Russian companies believe they have a valid claim for a share in the big developments in neighbouring countries because they were discovered during the Soviet era.

Oil industry experts say Russian participation in such projects should have little direct impact on western companies, as long as the shares come out of the host government's stakes.

## Red tape tangles up UN troops in Bosnia

Commanders believe the organisation is in danger of losing its credibility there, writes Gillian Tett

By Gillian Tett

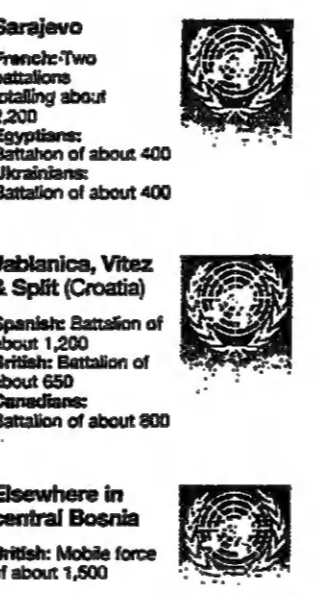
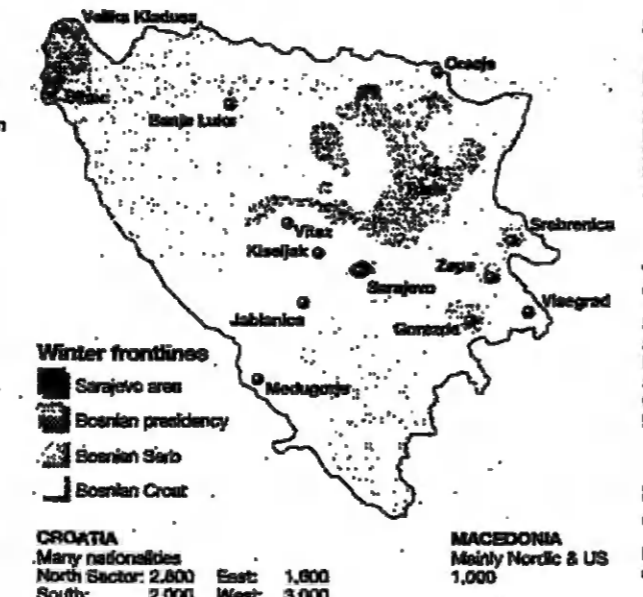
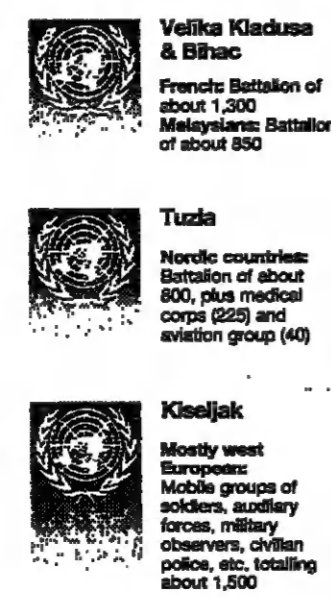
## Bosnia-Herzegovina: the UN forces trying to keep the aid flowing

UN troops in Bosnia have been so hamstrung by bureaucracy that their control room has been forced to hold whip-arounds to raise money for essential equipment. The military commander says that on one occasion he learned of his movements not from his superiors, but from CNN TV. Troops of more than eight nationalities are communicating in second languages within an inadequate military command structure.

If Mr Douglas Hurd, British foreign secretary, needs any further convincing about the deep frustrations felt by the UN troops on the ground in Bosnia, he could do worse than take note of this description of UN operations given recently by Brig Vere Hayes, former UN chief of staff in Bosnia.

In the sixth months Brig Hayes served in Bosnia, between spring and autumn last year, he experienced a catalogue of difficulties that have now led many military commanders in Bosnia to believe the UN is in danger of completely losing its credibility there.

Gen Hayes claimed the frustrations stemmed from the



inadequacy of the UN command, which did not have a proper military control centre when the peacekeeping operation was first established. This has been partly rectified, but the command structure is still essentially devoted to peace-

keeping rather than peace-

creating operations. The result has been a structure ill-equipped to respond with speed. When Brig Hayes was enrolled in the delicate task of monitoring Serb positions on Mt Igman around

Sarajevo last year, he was, at one point, told of his next movements by his press officer who had been watching CNN. With no independent UN intelligence-gathering structure in place, UN commanders depend on national battalions

sharing intelligence to plan their operations - intelligence the separate national commanders have often been unwilling to share.

National commanders have been increasingly reluctant to obey UN commands without

complete authorisation from their governments: one reason for the delay in reaching Mostar this summer was that the Spanish commanders insisted on consulting with their national governments first.

The essential factor behind these problems is the lack of any clear political mandate. Amid the flurry of UN resolutions, with over 60 relating to Bosnia in the past 18 months, most commanders are convinced the political will does not exist among the allies for them to carry out the task demanded. Lt-Gen Francis Briquenois, Belgian commander of UN forces in Bosnia, commented recently he did not bother to read the UN mandates any more because he did not have the troops to carry them out.

The result has been that the troops have faced almost daily humiliation at the hands of the combatants, amid a steadily-mounting death toll and growing doubts about their effectiveness. A UNHCR report by the UN High Commissioner for Refugees has estimated only 20 per cent of last month's aid to central Bosnia was delivered; UK officials believe up to one-third across Bosnia falls into the hands of soldiers.

## Bundesbank announces a more refined system

By Christopher Parkes in Frankfurt

The Bundesbank yesterday reduced and restructured its minimum reserve requirements in a move which it claimed would reduce costs and improve competitiveness in the German banking system.

It would also allow private sector banks' room to adjust their interest rates, the central

bank said in a statement after a routine meeting of its policy-making council. From March 1, requirements for sight deposits held by domestic and foreign investors will be fixed at 5 per cent. At present German deposits are subject to a scale of requirements ranging from 6.8 per cent to 12.1 per cent.

The Bundesbank calculated that the changes would lead to a total reduction of DM28bn

(£11.3bn) in requirements set against their deposits, including DM18bn currently held interest-free at the central bank. "This will allow us to use these funds more effectively," said a spokesman for Commerzbank. "It will also level the playing field and allow us to compete better with French and British banks."

But banking analysts were uncertain whether it would

lead to more generous borrowing conditions for the private sector. "Some benefits may be passed on to better quality clients," one said.

German banks have been widely criticised for their apparent reluctance to pass on to customers the full benefits of the Bundesbank's series of rate cuts over the past 18 months.

The Bundesbank has traditionally used minimum reserve

requirements as a means of controlling money supply growth, which is the central factor in its interest rates policy.

The changes would not affect the long-term effectiveness of minimum reserves, which it described as an "important instrument". The bank said in a statement. It would compensate for the increase in liquidity caused by the reduced requirements by reducing the

volume of funds injected regularly through its securities repurchase agreements.

Yesterday's meeting, which left key interest rates unchanged, agreed that repurchase agreements for the next two weeks would continue at a fixed rate of 8 per cent. The repo rate has been unchanged since December 8, while the short-term discount and Lombard rates were last reduced on October 22 last year.

## Brussels wants to stop UK social policy opt-out

By Robert Taylor, Labour Correspondent

The European Commission wants to end Britain's social policy opt-out after 1996, it emerged yesterday.

In a confidential document sent to member governments on the working of the social protocol agreed at Maastricht two years ago, the commission makes clear the British opt-out must not be allowed to continue indefinitely.

"The commission firmly believes the conference of representatives of the EU's member states to be convened in 1996 must find a way to return to a single legal basis for commu-

nity action in the social field," it argues.

British ministers see the opt-out as a lasting achievement that will improve the country's competitiveness by keeping down labour costs. They believe they are winning the argument inside the EU on the need for a more flexible European labour market through less regulation of social affairs.

Mr Howard Davies, director-general of the Confederation of British Industry, yesterday criticised the commission's efforts to press for a shorter working week or job-sharing as answers to European unemployment. "These are not viable long-term solutions," he told a meeting of European

business leaders. "If high employment could be brought about by short working hours then Europe would have no unemployment at all."

Mr Davies said European workers already worked fewer hours a year than their American or Japanese counterparts and many of the proposals on job sharing would merely add to employer costs and increase not reduce unemployment.

He also denounced the commission's determination to introduce European-wide works councils for large companies with plants in more than one member state. It was inconceivable this could contribute to competitiveness or generating employment.

## Commission urges France to halt state subsidies to Groupe Bull

By Andrew Hill in Brussels

The European Commission will next week call on the French government to suspend a final FF2.5bn (£287m) tranche of aid to Groupe Bull, the loss-making computer group, pending the outcome of a Commission investigation into FF1.1bn of subsidies.

Officials agreed yesterday that the 17 commissioners would adopt the proposal from Mr Karel Van Miert, competition commissioner, next Wednesday without further discussion.

The decision represents growing frustration in Brussels that the French government has failed to provide details of

its restructuring plan for Bull, announced last October. Commission officials admitted yesterday they could do little to force France to comply with the request. However, one official advised the French government to act before next Wednesday's meeting to defuse the tension over the Bull case.

"If the French have any common sense they will send a letter to Van Miert undertaking not to pay the remaining part of the aid," said the official.

The Commission is already investigating a FF2.5bn capital allocation to Bull, granted by the previous French government, on the grounds that it may distort competition. Commissioners will agree next

week to extend that inquiry to cover the FF4.5bn allocation from the present government and France Telecom, which owns 10 per cent of Bull.

Commissioners face a much more difficult decision on Mr Van Miert's controversial proposal to block a three-way joint venture involving French, German and Italian manufacturers of stainless steel tubes. If the deal is opposed, it will be only the second time that the EU's 1990 merger regulation has been used to outlaw a deal. Officials said yesterday that they were under heavy pressure from lobbyists and trade unions to approve the venture, but it was difficult to predict which way commissioners

would vote. The Commission is also set to wave through Mr Van Miert's proposal to open an investigation into subsidies from the city-state of Bremen, Germany, to Klockner-Werke's steel mill.

A decision on whether to block the subsidies will not be taken until later. But Mr Van Miert is known to be extremely concerned about the city-state's plan to sell the steel mill and grant a DM200m cash injection to maintain steel-making capacity, at a time when other steelmakers are forgoing subsidies and cutting production. Officials said yesterday the Commission would act fast to reach a decision on the case.

## THE FINANCIAL TIMES

Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 50318 Frankfurt am Main, Germany. Telephone: +49 69 156 150. Fax: +49 69 5964481. Telex: 416193. Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb und Marketing GmbH, Adm./Kassendirektor: Strasse 3a, 63363 Neu-Isenburg (owned by Hürthel International). Responsible Editor: Richard Lambert. c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9UL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and FTI (Germany) Advertising Ltd, London. Shareholders of the above mentioned two companies are: The Financial Times Limited, Number One Southwark Bridge, London SE1 9UL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE: Publishing Director: J. Rolly, 108 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone: 01 4297-6021. Fax: 01 4297-6025. Printer: S.A. Nord Editeur, 1521 Rue de Caen, F-91000 Rambouillet. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

FINLAND: Financial Times (Scandinavia) Ltd, Vammelsalantie 42A, DK-11610 Copenhagen. Telephone: 33 13 44 41, Fax: 33 93 53 35.

مكتبة المجلد

## Aftershocks compound LA's misery

By Louise Kehoe  
in Los Angeles

Strong aftershocks have compounded the problems of earthquake-weary residents of Los Angeles and complicated the tasks of those struggling to restore basic services to the city.

Two jolts, each measuring 5.1 on the Richter scale, occurred just two minutes apart on Wednesday afternoon, causing further structural damage to buildings already weakened by Monday's pre-dawn 6.6 quake.

Building inspectors, who fanned out across the city on Wednesday morning, will have to re-examine many of the damaged homes and commercial structures that they had previously deemed inhabitable. Schools, most of which remain closed, must similarly be re-inspected for damage.

Of approximately 600 schools, over 100 have sustained significant damage, with 24 that are severely battered with collapsed walls and ceilings. It is not known when many of the city's 640,000 students may be able to return to school. Preliminary damage

estimates run to \$700m.

The aftershocks also increased the fears of those who have abandoned their homes. Despite the efforts of city officials to persuade them to find shelter, about 18,000 people spent a third night in parks and open spaces.

For commuters, the aftershocks caused more misery. Residents of the Santa Clarita Valley, to the north of Los Angeles, now virtually isolated by freeway closures, have been encouraged to abandon their cars in favour of the Metro-Link suburban train service. That too, however, was temporarily closed on Wednesday afternoon when aftershocks caused a rockslide.

The 8000 passengers who had taken the train to work on Wednesday faced long delays on their return journey. Traffic congestion remains the most widespread impact with millions of people struggling to find alternative routes to work as businesses reopen.

In the hard-hit San Fernando Valley, some 40,000 homes are expected to be without running water for several more days and more than 30,000 customers still have no electricity.

## Canadians search for their 'je ne sais quoi'

Bernard Simon examines how Canadian political parties are seeking an entente with Quebec

Within minutes of proceedings getting underway this week in the House of Commons in Ottawa, it was obvious that a new set of dynamics was at play in Canadian politics.

A member of the Bloc Québécois, the group campaigning for Quebec to loosen its ties with the rest of Canada, rose to complain that no Québécois ice hockey players were included in the national team for the Winter Olympics. What would the newly-elected Liberal government do, he asked, to end such "discrimination" against the francophone province?

Minutes later, the leader of the pro-independence Reform party injected a populist note into question period. Instead of asking ministers a question prepared by backroom party researchers, Mr Preston Manning read one which had been faxed in by an Ottawa doctor to Reform's new parliamentary "hot-line".

The BQ and the Reform party were catapulted to centre stage in last October's general election. The Liberals easily swept into office, routing the Progressive Conservatives who had governed since 1984. But the gains chalked up by the two regional parties - largely at the expense of the Tories - transformed the House of

Commons. The BQ, which had eight seats in the previous parliament, is now the official opposition, with 54. Reform's representation has ballooned from one to 52. Altogether, more than two-thirds of the 295 MPs elected last October are newcomers. The strength of the BQ and Reform has injected an unusual degree of instability into Canadian politics.

Only a handful of Reform MPs speak French, while most BQ members have little knowledge of Canada outside Quebec. When the two parties held a get-acquainted pancake breakfast last week, an interpreter was stationed at each table to keep the conversation going.

The biggest uncertainty is whether the Canadian federation can survive the centrifugal force of the BQ, which wants to take Quebec out of Canada; and Reform, which wouldn't mind if Quebec stayed, so long as it wanted no special favours.

The two parties have dropped each other a few crumbs of mutual tolerance. Mr Manning is taking French lessons, despite his party's opposition to national bilingualism. Similarly, Mr Lucien Bouchard, the BQ leader, has pledged to speak not only for



Mr Manning's Reform party wants political dialogue with the prime minister Jean Chretien

Quebec, but for all Canadians in his new role as leader of the opposition. In his opening speech to parliament, Mr Bouchard promised that until an independence referendum is held in Quebec, the BQ will make a stand on such national issues as unemployment, the budget deficit and looming social security cuts. The BQ's drive for greater devolution of powers from Ottawa will fall on some sympathetic ears outside Quebec.

It quickly became clear this week however, that the item at the top of the BQ's agenda is

Quebec independence. "The political problem with Canada is Quebec, and the problem of Quebec is Canada," Mr Bouchard said. He and his colleagues reeled off a list of grievances to prove that Quebec was being short-changed by the rest of the country.

The BQ's eyes are firmly set on the provincial election in Quebec, which is expected to be called next September. The BQ's provincial counterpart, the Parti Québécois, has promised to hold an independence referendum within a year if it wins the election. The PQ is

and large parliamentary majority. The previous Conservative government managed to co-opt Quebec nationalists for most of the 1980s by pandering to their demands for wider powers. But the Liberals are taking a different tack.

They hope that an accelerating economic recovery, sound government in Ottawa and an emphasis on the tangible benefits of remaining part of Canada will persuade Québécois voters to shun the separatists.

The Quebec Liberals are expected to follow Mr Chretien's upbeat line in the months leading up to the election. Mr Johnson this week kicked off what is likely to be a series of job-creation initiatives with a government-funded home-renovation scheme.

If these tactics work, and the forthcoming election or the ensuing independence referendum, the BQ would lose its raison d'être, and might quickly wither. Reform's future depends largely on its ability to present itself as a moderate, disciplined and credible opposition.

On the other hand, if the Liberals fail to contain the scrappy newcomers on the opposition benches, Canada's politics are bound to become even more unsettled.

## Housing starts in US outstrip predictions

US housing starts rose by an unexpectedly strong 6.2 per cent in December to an annual rate of 1.54m, the Commerce Department said yesterday, agencies report from New York and Washington. Wall Street economists had expected December housing starts at a 1.43m annual rate.

The housing figure, up from 4.3 per cent in November, was coupled with an even more impressive 7.4 per cent increase in building permits last month.

Meanwhile, Mr Roger Altman, deputy treasury secretary, said yesterday that fourth quarter growth rate "could have been" as strong as 6 per cent in real terms. "It's clear that [the fourth quarter] was a strong quarter - a very strong quarter - and we hope that despite this weather the first quarter will maintain that momentum... I'm not suggesting that the

first quarter will be in the 6 per cent area. I doubt that very strongly. But it should be a good quarter."

The department said December housing starts, which were up for the fifth month in a row, were at the highest level since January 1990, when they stood at 1.55m. Starts for all last year climbed to an unadjusted 1.29m, the highest annual total since 1.38m in 1989.

Economists said the permits increase, to an annual level of 1.475m, suggested more house-building strength in the next few months, though building was likely to drop off this month because of the severe cold weather in the east and the Los Angeles earthquake.

Vice President Al Gore said recently that gross domestic product could expand at an annual rate of as much as 6 per cent, after eliminating the effects of inflation. In the fourth quarter.

## Venezuelan bank to repay depositors

By Joseph Mann in Caracas

Banco Latino, the big Venezuelan commercial bank that closed its doors a week ago, will re-open on January 28 to start repaying depositors, but initially only up to \$900 each, government officials said.

The re-opening is the first phase of a government plan to return deposits to small account holders, and to try putting the institution back on its feet. By refunding deposits of up to \$900 the government believes it will cover demands

from over 631,000 individual account holders.

The government will later repay larger sums to depositors, but the maximum guarantee for each account - 1m Venezuelan bolivars or about \$5,300 - will not be paid out unless the bank is liquidated.

Caracas has been rife with rumours about other financial institutions. Mr Roger Urbina, the superintendent of banks who has taken temporary control of Banco Latino, warned that if the rumours continue, other Venezuelan banks could be endangered.

## US releases Nicaragua aid

The US has released \$40m in aid to Nicaragua this week as part of \$104m blocked since June because of allegations that US money was going to the leftist opposition Sandinistas, AP reports from Managua.

US Ambassador John F. Maitino said it was a gesture of "tangible support for Nicaragua's efforts to forge a true

national reconciliation within a democratic framework."

The administration originally blocked the aid at the insistence of Senator Jesse Helms, a Republican from North Carolina, following complaints by conservative groups that money was going to the Sandinistas, who still control the military, police and security agencies.

## SOMEONE INFLUENCES MODERN DUTCH PAINTING MORE THAN REMBRANDT, VAN GOGH AND MONDRIAN PUT TOGETHER.

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THE BUSINESS TO BUSINESS MAGAZINE FOR CHINA

## Airlines to stop sales in naira

By Paul Adams in Lagos

International airlines in Nigeria are to stop ticket sales in local currency from February 1 to prevent a backlog of naira earnings until the government clarifies its new foreign exchange regulations.

The decision follows warnings by businessmen that exchange rate and interest rate controls introduced in last week's budget are unworkable, and will severely erode legitimate foreign trade.

Mr Ebenezer Babatope, transport minister, has threatened to penalise the Board of Airline Representatives for action he called "embarrassing but also illegal and out of tune with the aspirations of this year's budget".

If the minister overrules the ban on naira sales, the airlines could respond by issuing tickets only outside Nigeria. The airlines said told the government last July they were worried about the backlog in remittances which had reached the naira equivalent of \$50m (£33.3m) by the start of January.

The airlines are concerned the 1994 budget could make their position worse as it makes no provision for invisible earnings but allocates 80 per cent of foreign exchange to manufacturing industry and agriculture. Nigeria's deepening economic crisis has led to fears of rapid depreciation of the naira. "Our decision is just to limit the damage," an airline official said in Lagos yesterday.

"The airlines in Nigeria need an average of \$30m a month to remit their local currency ticket sales to Europe. According to the budget, we won't get anything like that amount and we will be left with an even bigger naira balance."

The government fixes air fares from Nigeria to Europe at below the sale price in Europe but airlines also have to base the naira price on the official exchange rate of N22 per dollar, though last year they changed it into dollars at the market rate of around N45.

## Patten opposes referendum on reform plans

By Alexander Nicoll, Asia Editor

Mr Chris Patten, Hong Kong's governor, yesterday voiced opposition to a referendum on political development, saying it would serve little purpose and would be bitterly opposed by Beijing.

Mr Patten offered a spirited defence of his attempts to broaden the democratic franchise as he faced more than two hours of questioning from a

House of Commons foreign affairs select committee.

He appealed to Beijing to resume negotiations, which broke down in November on his proposals on arrangements for elections to be held this year and in 1995.

Mr Patten said that, with opinion polls consistently backing his plans, a referendum would reveal little new. It was in any case up to the Legislative Council to decide on electoral proce-

dures. He also noted that China was "completely neutral" on the question. "I'm not in the business of trying to tweak the Chinese tail."

Mr Patten said a referendum would also unnecessarily polarise opinion in Hong Kong. "I've got enough experience never to say never but I'm not disposed to believe that it would be the right way forward for Hong Kong."

Questions from members of the UK

parliament revealed a difference in priorities from their last report in 1993, which recommended direct elections to LegCo be drastically speeded up. Instead, they exhibited concern that Mr Patten's more modest attempts to widen the franchise only indirectly elected seats had been too confrontational and made without sufficient consultation with Beijing.

Some questions reflected criticisms of Mr Patten which the committee

recently heard from Sir Percy Cradock, a retired senior diplomat, who described the governor's approach as reckless and counter-productive.

Mr Patten rejected Sir Percy's allegation that he had refused Beijing's request for consultations on his proposals. He said Sir Percy, arguing for settlement with Beijing on the best terms available, failed to specify exactly what he would be prepared to settle for.

## S African township taxes to be paid

By Patti Waldmeir in Johannesburg

South Africa's black township dwellers are to resume paying rent and taxes to local governments, ending a decade-long boycott which played a part in forcing the ruling National party to end apartheid.

Representatives of black community organisations yesterday signed an accord calling on residents to restart payments, in exchange for a government commitment to resume and improve the quality of services in black townships, where electricity, water, sewage and refuse collection are provided intermittently or not at all.

African National Congress President Nelson Mandela told a conference of local authorities yesterday the ANC would launch a campaign to end the boycott, which could prove an embarrassment to a new ANC government. Residents who have paid no charges for years will not resume immediately, despite Mr Mandela's urging; many will resist paying until services improve substantially.

The agreement is part of a radical reorganisation of local government to end racial segregation. Within 90 days, most black and white local councils will merge, and share one tax base, ahead of local government elections later this year or next.

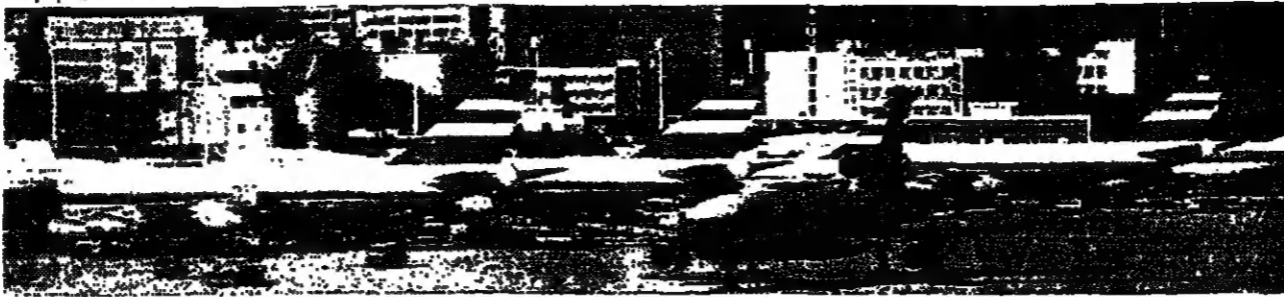
## Algerian offer 'not enough'

The exiled spokesman for Algeria's outlawed Islamic Salvation Front (FIS) said yesterday the release of hundreds of Moslem fundamentalist prisoners was not enough to justify opening a dialogue with the government. Renater reports from Paris. "We are happy at the release of some of our brothers but that is not sufficient. We must have the release of all political prisoners, first and foremost our leaders," Mr Rabah Kebir said.

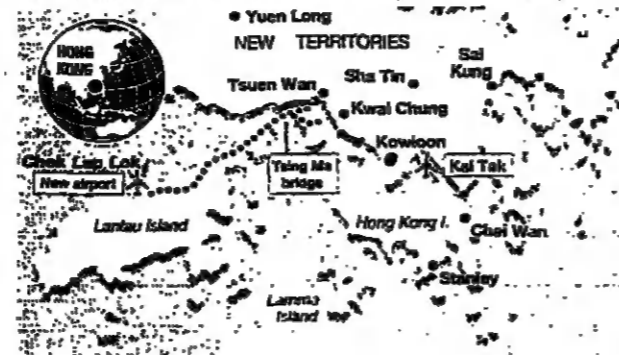
## Britain buys time on HK airport funding

But the project may not be operational much before 2000, writes Simon Holberton

### Problem sites



Kowloon Terminus crowded airport in a crowded city; Chek Lap Kok (below): open space for the new one



its blessing to the franchisees.

Potential holders of a franchise are in little doubt as to the importance of China's approval. One senior businessman whose company will be tendering from a franchise said: "If the FAA awards the franchises without Beijing's approval, all China has to do is say they do not think it is a good idea, and the banks will not lend the money. China calls all the shots."

Many in Hong Kong believe the political row between China and Britain over democracy in Hong Kong has made it

virtually impossible for China to agree to the Hong Kong government's suggestions on how to finance the project. Some believe China has decided it does not want the British to "complete" the airport and would rather it be finished a year or so into Chinese sovereignty.

Mr Victor Sit, a university professor and adviser to Beijing on the airport, believes officials in China run a personal political risk if they accede to the Hong Kong government's suggestions for financing the airport at this time.

when relations are so fraught.

"There is a very serious problem of mistrust, so if they [Beijing officials] let go of the airport issue, there would be more political troubles...for themselves," he said recently.

British officials hope Mr Sit is wrong. They speculate that between now and when Governor Chris Patten introduces his second political reform bill (probably in early March) there exists a chance for a deal.

To test this, Britain requested a meeting of the Anglo-Chinese "airport committee" earlier this week and

indicated it was prepared to make yet another offer on the financing of the airport.

Since March 1992, it has made three separate proposals. But the fourth and latest offer may meet China's stated concerns about the level of debt the airport and railway will carry, come July 1997, when responsibility for Hong Kong passes from Britain to China.

The Hong Kong government sought to meet Beijing's complaint about debt in its second financial proposal, made public in September 1992. Debt financing for the airport was cut to

\$HK\$5.9bn from HK\$37bn, while the debt needed to be raised to build the airport railway was cut to HK\$17bn from HK\$36bn.

The "problem" with this proposal was that about half the \$HK\$50bn increase in equity it envisaged would come from a land fund established for the use of the post-colonial government. China, which wanted more equity, was not prepared to spend its "own" money to see that end achieved.

Beijing, on safer ground, also pointed out that the British had agreed in 1991 that total government debt outstanding at June 1997 should not exceed HK\$5bn. The Hong Kong government was still in breach of that agreement as the project's total debt was HK\$23bn. Details of the latest financial proposal are not public but it is understood the government is prepared to throw yet more equity at the airport and its connecting railway, meaning a commensurately lower level of debt.

There is much resistance within the government to putting more money into the airport, but Hong Kong can afford it. Its coffers are brimming with cash, mainly due to receipts from stamp duty on stock market transactions; a projected deficit of HK\$3.5bn in 1993-94 is now expected to be a large surplus.

China has yet to respond to the request for another meeting of the airport committee or to the latest financial proposal. Mr Zhang Jinsong, a Chinese official in Hong Kong, lowered official hopes of a positive response when he indicated a meeting of the committee was not in the offing.

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مكتبة

# US fingers crossed over N Korea

John Burton on why Washington is being so patient with Pyongyang

The leader pages of US newspapers have been filled with columns in recent weeks criticising the Clinton administration for appeasing North Korea and urging it to take tougher measures to force Pyongyang to comply with the nuclear non-proliferation treaty.

"If that's what these pundits want, they should sit on their pencils and lead the charge across the (Korean) DMZ," said one irritated US State Department official.

The worry among US diplomats is that tough actions, ranging from economic sanctions to pre-emptive military strikes against North Korea's nuclear facilities, could precipitate one of the most destructive wars since 1945.

It is the main reason why the US has been patiently pursuing negotiations with North Korea to persuade it to accept full international inspections of its nuclear sites.

The dilemma is what happens if those negotiations fail. Will the US risk a conflict on the Korean peninsula or instead decide to live with a possibly nuclear North Korea as it has done with other suspected nuclear powers such as Pakistan?

There is some optimism that decision will never have to be made. North Korea has been discussing details of the resumption of regular inspections of seven nuclear sites meeting with the International Atomic Energy Agency (IAEA) for the past two weeks in Vienna. The Vienna talks followed an announcement by the

US on January 5 that North Korea had agreed in principle to allow the inspections, which have been suspended for almost a year.

The pace of negotiations has been slower than expected, although the US State Department expressed confidence last week that there is "no reason to believe that there's been any erosion in the North Korean commitments" to resume inspections.

But US intelligence agencies recently estimated that there is a "better than even chance" that North Korea has already constructed one or two crude nuclear devices using plutonium extracted in 1988 from a small 5-megawatt nuclear reactor at the Yongbyon nuclear centre.

The fear is that North Korea's acquisition of nuclear weapons could provoke a nuclear arms race in north-east Asia by forcing Japan and South Korea to follow suit. Pyongyang might also emerge as a supplier of nuclear technology to other anti-western nations, such as Iran.

But disagreements exist among policymakers in Washington and Seoul about whether the North's suspected nuclear weapons programme is real or a bluff and why it is blocking inspections.

The US State Department, for example, disputed the intelligence assessment of the North's nuclear capability. Some US officials privately complain the Defence Department and Central Intelligence Agency have exaggerated the



North Korean threat as part of an effort to curtail cuts in their budgets. "It's how the game is played in Washington," said one official.

There are contrasting explanations for North Korea's behaviour. The most obvious is that the North wants to prevent the IAEA from discovering its nuclear weapons programme because it is intent on possessing nuclear weapons.

The alternative view is that the North is using the nuclear inspection issue as a bargaining chip to win diplomatic recognition and economic aid from the US and bolster its crumbling economy.

A possible contributory factor is that the US angered the North when it resumed the annual Team Spirit military exercises in South Korea last year.

The North agreed to start accepting IAEA inspections in 1992 in return for the suspen-

sion of that year's Team Spirit exercises. Pyongyang apparently saw Team Spirit's resumption in 1993 as the US breaking its word and it responded by discontinuing the IAEA inspections.

An interim settlement could include the US suspending Team Spirit this year if the North permits inspections and agrees to negotiate with South Korea on mutual nuclear inspections as promised in their 1991 non-nuclear pact.

This would lay the foundation for a comprehensive agreement in which the US could offer diplomatic recognition and economic support in return for North Korea accepting complete inspections by the IAEA and South Korea.

But the negotiations to reach a package deal could be a long and tortuous process. The Clinton administration is being criticised for possibly giving North Korea breathing space

to finish its nuclear weapons programme as it engages in protracted talks.

Negotiations, however, still appear to be the best option in solving the dispute. A pre-emptive attack on the North's nuclear facilities would almost certainly cause the North to attack the South.

UN economic sanctions, if they are not vetoed by China, might also provoke an attack. North Korea would have to draw on its fuel and food reserves for the military to survive sanctions, which would severely weaken its defence. Pyongyang may then see little alternative but to go on the offensive. It is one reason why Japan and South Korea are cautious about proceeding with sanctions.

The options appear tough for a US administration that wants to avoid a war on the Korean peninsula. There is little question that tens and possibly hundreds of thousands would be killed in a conflict that would mainly take place in the heavily-populated environs around Seoul, the world's fifth largest city, which lies just 35 miles from the DMZ.

The Clinton administration has made the North Korean nuclear inspection a test case for stopping nuclear proliferation, but the question remains at what cost. US General Omar Bradley said of the last Korean conflict of 1950-53 that it was "the wrong war, at the wrong place, at the wrong time, and with the wrong enemy". The US will have to determine whether that judgment still holds true.



A Palestinian builds a fire of tyres in Ramallah yesterday as part of protests by the PLO's Fatah faction against the death of a youth, shot by Israeli troops while throwing a molotov cocktail.

## Kuwaiti MPs take hard line

By Robin Allen, recently in Kuwait

The Kuwait National Assembly (parliament) has unanimously repealed a 1990 law imposing restrictions on bringing government ministers to trial.

The repeal comes amid mounting indignation in the National Assembly about the government's failure to answer allegations of fraud behind investment losses by the Kuwait Investment Authority and the London-based Kuwait Investment Office.

A former oil and finance minister, Sheikh Ali Khalifa al-Sabah, who has been mentioned in the case, had been banned from leaving the country, though the ban was later lifted. Many MPs want the ban reimposed.

According to a member of the National Assembly's Public Funds Protection Committee, the government and National Assembly are "completely at odds" over the issue of Kuwait's foreign investments. The KIA is being called to account over some \$500m in

losses by KIO in the US, Canada, France and Britain as well as the \$4bn-\$5bn incurred in the collapse of KIO's investment empire in Spain. Sheikh Ali Khalifa has also been criticised by Mr Ahmad al-Saadoun, National Assembly speaker, in connection with losses incurred in Kuwait Petroleum Corporation's 1990 acquisition of US oil drilling group Santa Fe. The KIA is sticking to its line that most losses were due to bad luck or bad management but that historically the KIA had done a good job.

## Old north-south division threatens Yemen's three-year unity

By Eric Watkins in Aden

The threat of civil war lingers in Yemen, despite apparently successful efforts this week to negotiate a settlement to the country's political crisis, now entering its sixth month.

Military units of the former north and south Yemen maintained a watchful stance yesterday along the border which, before unification three years ago, had divided them.

President Ali Abdullah Saleh and Vice

President Ali Salem al-Biedh have agreed to meet to sign an agreement which is aimed at ending a crisis that began in late August. It was then that Mr Biedh, frustrated by the lack of co-operation from the president, left the capital Sanaa and returned to Aden, his political base in the former South Yemen.

Mr Biedh had long complained about the lack of security in the country, the continued presence of military forces in cities, and the alleged mismanagement of the economy.

In September, Mr Biedh, who heads the Yemen Socialist party, issued an 18-point programme for national reform and called for its implementation as a condition of his return to Sanaa. Although General Saleh has since accepted the YSP programme, he has so far failed to implement it and Mr Biedh has remained in Aden.

Faced with the impasse, leading politicians in late November formed a committee to resolve the dispute and this week finalised a document which, they believe, could end the problem. Incorporating all

18 points of the Socialist programme, the document has raised hopes of a solution to the crisis.

Western diplomatic sources said yesterday that General Saleh was "confident" that the agreement would bring a quick end to the impasse. And optimism appeared to be underscored yesterday as the Yemeni rival strengthened by nearly 20 per cent in unofficial trading.

But, according to Mr Biedh, implementation of the document is the crucial point in ending the crisis and he has little hope of

that. "We will arrive at results which are theoretical, but our real problem will be implementation," he said, but added: "We have no faith that there will be implementation."

Mr Biedh explained earlier this week that he and General Saleh had reached many agreements before but "unfortunately, none have been implemented".

Gen Saleh has meanwhile admitted that reports of a southern aircraft bombing northern troops on Monday were false. He claimed instead that a jet had flown at low

altitude over the Al-Malika encampment of northern soldiers in the town of Lauder, about 170 kilometres north-east of Aden, and that the resulting sonic boom had been misinterpreted as an explosion.

Journalists visiting the site on Wednesday confirmed that no bombing had occurred, but that last Friday some 300 northern troops had left their base in Lauder and had commandeered a strategically placed private house to control access to and from the town.

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ATTENTION: The address above is subject to change from February 14, 1994. The new address is: P.O. box No.301, Shinjuku Mitsui Bldg., 1-1, Nishi-shinjuku 2, Shinjuku-ku, Tokyo 163-04, JAPAN TEL 03(5322)2441/2442/2443 FAX 03(3340)5505

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Chief Executive  
Hongkong Telecom

We, the management and staff of Hongkong Telecom, would like to extend our heartfelt sympathies to Mike's wife, Jess, and their children, Mark and Janette, at this tragic and unexpected loss.

The family requests donations in lieu of flowers be made to the Hong Kong Adventist Hospital Children's Heart Fund or the Children's Cancer Fund.

## NEWS: WORLD TRADE

# Tokyo welcomes end of US trade threat

By Michio Nakamoto in Tokyo

Japanese government officials yesterday welcomed a US decision to drop the threat of trade sanctions against Japan. They hoped for a similarly positive outcome to the bilateral trade negotiations, still deadlocked only weeks before a US-Japan summit next month.

US pressure on Japan to make a greater effort in pushing the bilateral framework talks forward is likely to increase when Mr Lloyd Bentsen, the US Treasury secretary, stops over in Tokyo on his way back to Washington over the weekend.

Mr Bentsen is to meet the Japanese prime minister and finance minister.

The US cancelled the sanctions, which were scheduled to go into effect yesterday if Japan had not taken steps to open its construction market to foreign competition. The cancellation followed Japan's adoption of a plan to increase

the openness and fairness of its construction market this week.

Japan has also agreed to monitor, with the US, progress made by foreign construction companies in winning public works contracts. The two sides will conduct an annual review of such data as the number and value of public works projects which are open to competitive bidding, the number of foreign companies which are awarded such contracts and efforts made by foreign companies to win contracts.

Mr Masayoshi Takemura, Japan's chief cabinet secretary, said he hoped the US move to remove the threat of sanctions "will have a favourable effect on the Japan-US framework talks toward the summit in February".

However, almost no progress has been seen in the key areas of contention between the US and Japan in their trade talks, despite the short period left before the summit on February 11, when the leaders of the two

countries are expected to announce results on specific issues.

On the crucial issue of opening up Japan's markets to foreign cars and car parts, Japanese bureaucrats have continued to resist US proposals for quantitative indicators which the Japanese consider to be numerical targets. The two sides also remain wide apart in other areas such as government procurement and deregulation of financial markets.

The impasse has led to growing US impatience over what officials see as Japanese intransigence in the talks.

An emergency meeting held on improving market access for foreign semiconductor manufacturers in Japan brought no progress.

The US is unhappy that the share of foreign semiconductor companies in Japan has been falling for three quarters despite a bilateral understanding that there would be continued improvement.

## EdF in Slovak joint reactor venture

By Patrick Blum in Vienna

Electricité de France (EdF) has signed a joint venture agreement with Slovenský Energetický Podnik (SEP), the Slovak electricity company, to complete the construction of two nuclear reactors and manage SEP's unfinished nuclear plant at Mochovce, about 120km east of Bratislava.

The total investment for completing the two Soviet-designed pressurised water reactors and bringing safety up to western standards is expected to be about DM1.5bn (\$850m). The European Bank for Reconstruction and Development is expected to provide financing for the project.

This is EdF's first contract to upgrade a Soviet-designed nuclear reactor. Westinghouse Electric of the US won a contract last year to upgrade the Temelin nuclear power plant in the Czech Republic.

Under the agreement, EdF will hold 51 per cent and SEP 49 per cent in EMO, a joint venture company established for the project. Germany's Bayernwerk may also take a stake in EMO, an EdF official said.

The Mochovce plant has been controversial and construction effectively stopped in late 1989 after the "velvet revolution" that brought an end to the communist regime in what was then Czechoslovakia. Initially the plant was to have four Soviet-designed VVER 440/213 reactors with 440MW capacity each. EdF says the reactors are the most recent Soviet design and "relatively close" to western standards.

## Mitsui and Carlyle in \$1m Asian ventures link

By Emiko Terazono in Tokyo

Mitsui, a leading Japanese trading company, will invest \$1m in the international division of the Carlyle Group, a Washington investment group, to take part in joint projects in Vietnam, China and the former Soviet Union.

Mitsui, which will acquire 10 per cent of the international arm of the US group, said its extensive network in China and South East Asia had

attracted Carlyle. The investment group, which holds equity holdings in companies covering activities such as defence, telecommunications, property and services, and sees new opportunities for investments in the Asian region and Russia.

Mitsui, which has 45 joint ventures in China, and has several offices in Vietnam, in turn hopes Carlyle's extensive political links will create business opportunities in the US.

The chairman of Carlyle,

founded in 1987, is Mr Frank Carlucci, secretary of defence in the Reagan administration; and Mr James Baker, former US secretary of state, is a partner. The international division is led by Mr Alton Keel, a former national security adviser to President Ronald Reagan.

Mitsui said it would not deal in defence or military-related equipment, but intended to help defence-linked companies suffering from a fall in demand to shift to civilian businesses.

## Gatt set to shelve workers' rights agenda

By Frances Williams in Geneva

The controversial question of whether the General Agreement on Tariffs and Trade should try to draw up international rules covering worker rights is likely to be shelved until after the Uruguay Round package of agreements is signed next April in Marrakesh.

There is already agreement among Gatt members to draw up a work programme on trade and the environment for approval by ministers in April. In recent weeks President Bill Clinton and Mr Mickey Kan-

tor, the US trade representative, have also strongly backed including labour standards in future global trade negotiations.

However, the idea is strongly opposed by many developing countries which fear a new pretext for protectionism, and it has aroused mixed feelings in the European Union. At a meeting yesterday of the Trade Negotiations Committee, which oversees the Uruguay Round, senior trade officials agreed that the Marrakesh agenda should focus on implementing the trade talks that have just ended rather than trying to launch new ones.

Negotiators expect trade-environment discussions to be difficult enough without adding more contentious issues. As well as worker rights, international rules for competition policy, currency movements and investment are all candidates for inclusion in future trade talks.

The immediate priority for the 117 nations taking part in the Uruguay Round is to complete negotiations on tariffs and services by mid-February. By April they will also have to agree recommendations concerning the structure and budget of the new World Trade Organisation.

## Showdown over silk brings latest victory for Kantor

Nancy Dunne on the US trade chief's Chinese textiles deal

Ms Carla Hills, former US trade representative, defined failed trade talks as those which result in sanctions. By this standard - and others - her successor, Mr Mickey Kantor is a high achiever.

Mr Kantor has only once imposed sanctions - on the EU in a dispute over government telecommunications procurement - and those were mostly symbolic. (He and Sir Leon Brittan, his EU counterpart, may be nearing a solution on telecommunications with the expected conclusion of a study this week forming the basis of a deal.)

The trade representative has succeeded in numerous high-stakes showdowns with the EU, Japan and China, employing neat timing and a potent combination of seemingly reckless threats, followed by flexibility and ingenuity.

On Monday Mr Kantor announced still another triumph, a new three-year pact with Beijing which sharply cuts the growth of Chinese textile and apparel imports. By threatening a 25-35 per cent cut in China's current quotas and refusing to cave in when China threatened retaliation and insisted on last-minute changes in the pact, US negotiators got the customs co-operation agreement they insist they need to curb "massive" fraud and transshipment.

Customs will now be permitted to employ US-Chinese "jump" teams, comprising officials of both countries, to swoop on Chinese factories in search of misleading labels and documentation, used to circumvent quotas.

US negotiators also got China to agree for the first time to ceilings on silk apparel, which they say is sold so cheaply that it can undercut cotton.

Imports jumped from \$900m in 1991 to \$2.6bn in 1993; increases will now be limited to 1 per cent a year for the next three years.

The US-Sino relationship has

### Cuts 'would have hit consumers'

China would not have been the only casualty of US threats to cut its textile quota by up to 30 per cent - US consumers would also have paid dearly, according to a study by a leading Washington trade-policy institute, David Dodwell, World Trade Editor, writes.

The quota cuts would have cost US consumers about \$1.1bn a year, according to Mr Gary Hufbauer at the Institute for International Economics, who has just published a study of the cost of US protection.

US textile producers would have captured gains of about \$570m, but the rest of China's "loss" would have been snapped up by textile exporters elsewhere in Asia and Latin America. Quota cuts would have saved an estimated 8,000 jobs in the beleaguered US textiles industry, but the cost per consumer of saving each job would have amounted to about \$136,000.

\* *Measuring the Costs of Protection in the US*, by Gary Hufbauer and Kimberly Elliott, published by the Institute for International Economics, Washington.



Mickey Kantor: Imposed sanctions only once

Abbey Johnson

come some way since 1984, when a dispute over textiles resulted in US sanctions and Chinese retaliation against American grain.

That infuriated the US agricultural lobby, at a time of massive surpluses, and so traumatised trade officials that they avoided confrontations with the Chinese for years, even renewing the country's Most Favoured Nation status after the crushing of the 1989 student uprising in Tiananmen Square.

Even now, China could easily shake up US industry by

retaliating against the vulnerable US aircraft makers, agriculture and capital goods producers. But it now must reckon with pressure from its own business sector and its interest in the lucrative US market, where its surplus last year soared above \$22m.

The textile deal both pleased and annoyed Mr Kantor's constituents. Although overall quota growth is frozen this year and limited to 1 per cent in each of the next two, importers were relieved to know their contracts would be fulfilled. However, Ms Laura Jones,

executive director of the Association of Importers of Textiles and Apparel, was "horrified" at the silk apparel quotas, viewing them as a contradiction of the liberalisation promised in the Uruguay Round.

US textile producers are pleased with a trade representative who brags that US textiles are the "best" in the world and US workers the most productive.

But they would have preferred the threatened 25-35 per cent quota cut to go ahead, on the grounds that the Chinese deserve to be punished for transshipment sins.

Mr Kantor said the "resolute" US stand ought to send a message to Beijing that the US would stand tough on other disputes, most importantly on renewal of Most Favoured Nation status.

This is a message which has been conveyed by every US visiting official for months, including Mr Lloyd Bentsen, the US Treasury secretary, who appeared there this week, and a delegation of US congressmen led by Mr Richard Gephardt, the House majority leader, last weekend.

Beijing has also had encouraging hints that if it co-operates on human rights, intellectual property rights and nuclear proliferation, it will be invited to take a respected place among the community of trading nations.

"The Clinton administration does not want to make an annual MFN assessment the central focal point for economic ties between the two countries year after year," said Mr Jeffrey Garten, the Commerce Department trade under-secretary, on Wednesday in Frankfurt. "We sincerely hope there can be enough progress in the human rights area to get these MFN issues behind us."

In the past, no amount of pressure has moved Beijing on human rights. If Mr Kantor and the other players in this effort pull off this deal, it will be a dazzling achievement indeed.

## FINANCIAL TIMES CONFERENCES

# RESOURCE MANAGEMENT IN THE PUBLIC SECTOR

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# Clarke and Major defend economic policy

By Kevin Brown,  
Political Correspondent

Mr Kenneth Clarke, the UK chancellor of the exchequer, delivered a robust defence of his handling of the economy yesterday as the Inland Revenue sent notification to taxpayers of tax increases decided in the last two Budgets.

Mr Clarke said the recovery would be "checked" by the tax increases, which take effect from April. But he insisted that the recovery was "strong enough for those tax rises to be taken in its stride."

His defence of government economic policy was echoed in the Com-

mons by Mr John Major, the prime minister, in the face of renewed claims by the opposition Labour party that the government broke its election promises on taxation.

The government also sought to deflect attention from taxation by threatening to expose further Labour "smeared" and by widening its offensive to target the Liberal Democrat party.

In a further indication of the government's determination to take the political offensive, the cabinet decided to mount a high-profile campaign for the European parliament elections in June.

The decision is in sharp contrast to

the last campaign for elections to the European parliament in 1989, when widespread cabinet hostility to the European Community led to a low-profile campaign in which the Conservatives eventually fared badly.

Mr Clarke told BBC radio that the tax increases would "take a bit of the edge off consumer demand, which the figures show is much stronger now than it was 13 months ago."

But he said the impact of the tax rises would be offset by reductions in mortgage interest rates, which had released £8bn in spending power into the economy.

Mr Clarke also gave his clearest indication yet that he is not consider-

ing a further cut in interest rates to ease the pain of tax rises or increase export competitiveness.

Mr Clarke recalled that Lord Lawson, chancellor from 1983-89, was also urged by commentators and opposition MPs to stimulate demand by cutting interest rates.

Nigel Lawson (now Lord Lawson, the former Tory chancellor), would agree, looking back, that he had already reduced them too much. On that front you have to set yourself a clear idea of when you change interest rates and stick to it, not be influenced by what the papers say in the morning," he said.

Mr Clarke said his judgment on

interest rates would reflect "above all, what is right not only to sustain the recovery, but also to make sure that over the medium term we take the opportunity of keeping inflation down."

Senior Conservatives said the improving economy would provide the background for a sustained offensive against the opposition parties, which will be accused in the European election campaign of seeking to submerge the UK in a federal Europe.

A senior official said the party was compiling further evidence of "smeared" by the Labour party to add to seven alleged smeared which the Tories released earlier this week.

## Britain in brief



## Royal Navy jet order boosts BAe

Doubts over the UK government's plans for the Royal Navy's fleet of Sea Harrier jump-jets were lifted yesterday with the announcement of an order for 16 aircraft worth a total of between £300m and £400m.

The contract comes as a boost to British Aerospace's military aircraft division after more than 1,300 job losses were announced in the past week in its civil aircraft and missile operations.

The deal, awarded last spring, was confirmed by Mr Jonathan Aitken, defence procurement minister.

BAe's work on building the improved FRS.3 Sea Harriers is valued at about £200m, but this does not include the Rolls-Royce engines and other equipment.

## Pensioners' bond pays 7%

An interest rate of 7 per cent gross fixed for five years was offered to people of 65 and over by the government yesterday with the launch of the new Pensioners' Guaranteed Income Bond from National Savings.

The bond, which goes on sale from today, will require a minimum deposit of £500 and has a maximum of £20,000. Interest will be paid monthly.

Though it is a five-year investment, investors will be able to withdraw their money before then, provided that they give two months' notice and suffer the loss of two months' interest.

## Tighter gas rules forecast

The Gas Consumers Council has predicted that regulation of the UK gas supply industry will need to be tightened as the domestic monopoly controlled by British Gas is opened to full competition in 1998.

In a speech to be delivered to a conference in London today, Mr Ian Powe, council director, says Ofgas, the industry regulator, will have to oversee the sector's transition away from a "command" regulatory regime - in which various government bodies have had a sometimes conflicting say over the sector - to one of "controlled competition" in which Ofgas should be the sole authority.

He says the main challenge for Ofgas will be to hold down consumer prices while managing the transition of the industry to a strict cost-related structure to encourage competition and consumer choice.

## BSkyB setback on pirate cards

British Sky Broadcasting has suffered a serious setback in its efforts to prevent the distribution in Ireland and continental Europe of pirated "smart cards", which threaten to undermine the company's principal source of income.

The Dublin High Court yesterday rejected a claim by BSkyB for a temporary restraining order, pending trial, against Mr David Lyons, the managing director of Satellite Decoding Systems. Mr Lyons is distributing the cards from Birt, Co Offaly in Ireland.

Mr Lyons' smart cards can break the VideoCrypt code used to scramble the satellite TV channels broadcast by BSkyB. BSkyB - in which Pearson, owner of the Financial Times, has a substantial stake - claims that its code has

been copied by Mr Lyons, infringing its rights under copyright law. The rejection was made because BSkyB had failed to produce sufficient evidence that there was an infringement of copyright.

Mr Lyons says the microchips, software and algorithms - which give command instructions to the software in the chip - in his cards are different to those used by BSkyB.

## P&O officers vote to strike

Ships' officers, excluding masters, employed by P&O European Ferries, have voted to strike against the company's reform of employment contracts.

The changes are designed to make cost savings on services from Felixstowe in Suffolk, to Larne in Northern Ireland and Cairnryan in Galloway.

Workers at the three ports have agreed not to take ships to sea or provide services for limited discontinuous periods not exceeding 24 hours. The action was passed by 121 votes to 23, by P&O members of Numbast, the merchant navy officers' union.

P&O managers are today due to meet officials from the RMT transport union to try to prevent strike action by crews on the same ferry services. The crews are also opposed to a pay freeze and a radical change in working hours.

## 6.5% rise in car production

UK car production rose 6.5 per cent last year to the highest level since 1974.

The increase in UK car output to 1,375,533 from 1,291,880 in 1992 was in sharp contrast to steep declines in Germany, France, Italy and Spain. Production is forecast to rise further this year despite weak demand in export markets.

The increase last year was supported by recovery in new car demand in the domestic market, according to figures from the Society of Motor Manufacturers and Traders.

Production for the UK market rose 19.9 per cent to 842,847. Output for export declined 9.6 per cent to 532,686, accounting for 38.7 per cent of total UK car output last year compared with 45.8 per cent in 1992 and 48.9 per cent in 1991.

## Goldsmith aids Thorp protests

Sir James Goldsmith, the international financier, has offered to back Greenpeace, the pressure group, in its court battle to stop the Thorp nuclear reprocessing plant at Sellafield in Cumbria.

The Goldsmith Foundation, set up by Sir James and his brother Edward, said it would pay part of Greenpeace's legal costs if the pressure group lost the case. The Goldsmiths have backed several anti-nuclear campaigns.

## Fresh effort on Ulster peace

The UK and Irish governments tried last night to breathe new life into their Northern Ireland peace initiative by confronting Sinn Féin's demand for clarification of the Downing Street Declaration.

Sir Patrick Mayhew, Northern Ireland secretary, said the government would do "everything in our power" to enable agreement to be achieved.

He said the "key" was "agreement between the people living in the island of Ireland, North and South." He added: "If that agreement involved agreed structures for the island as a whole - so be it."

Mr Reynolds said that following the joint declaration, the island of Ireland "not just Northern Ireland" made up "the framework for self-determination." But he added: "The fact that partition was enforced back in 1920 does not make it right to enforce unity today."

## Government to set out stance on competitiveness

By Andrew Adonis

The British government is to publish a white paper on competitiveness in the summer, to give its "hands on" approach to industrial policy a higher profile.

Mr Michael Heseltine, the trade and industry secretary, will use the white paper to set out the government's role in "backing winners" and boosting exports.

It will be the first white paper on the government's approach to industry since the Conservatives came to office in 1979, marking a further breach with the policies of the Thatcher government.

Announcing the decision to the House of Commons trade and industry committee yesterday, Mr Heseltine said: "Governments intervene all the time; the only question is what form it takes."

The white paper will emphasise "competitiveness", not old-style "industrial policy", emulating the language of the Clinton administration.

Whitehall sources dubbed it a "American-style white paper", which would take a "broad view" of the government's approach to Britain's industrial weaknesses, including skills shortcomings, technology promotion and the liaison between Whitehall and industry.

Mr Heseltine ruled out any return to large-scale public funding of particular industrial sectors, but said government

was ready to do "anything it reasonably can to enhance the environment within which industries can flourish."

The white paper will take the form of a response to the trade and industry committee's report on competitiveness in manufacturing industry, due to be published in March.

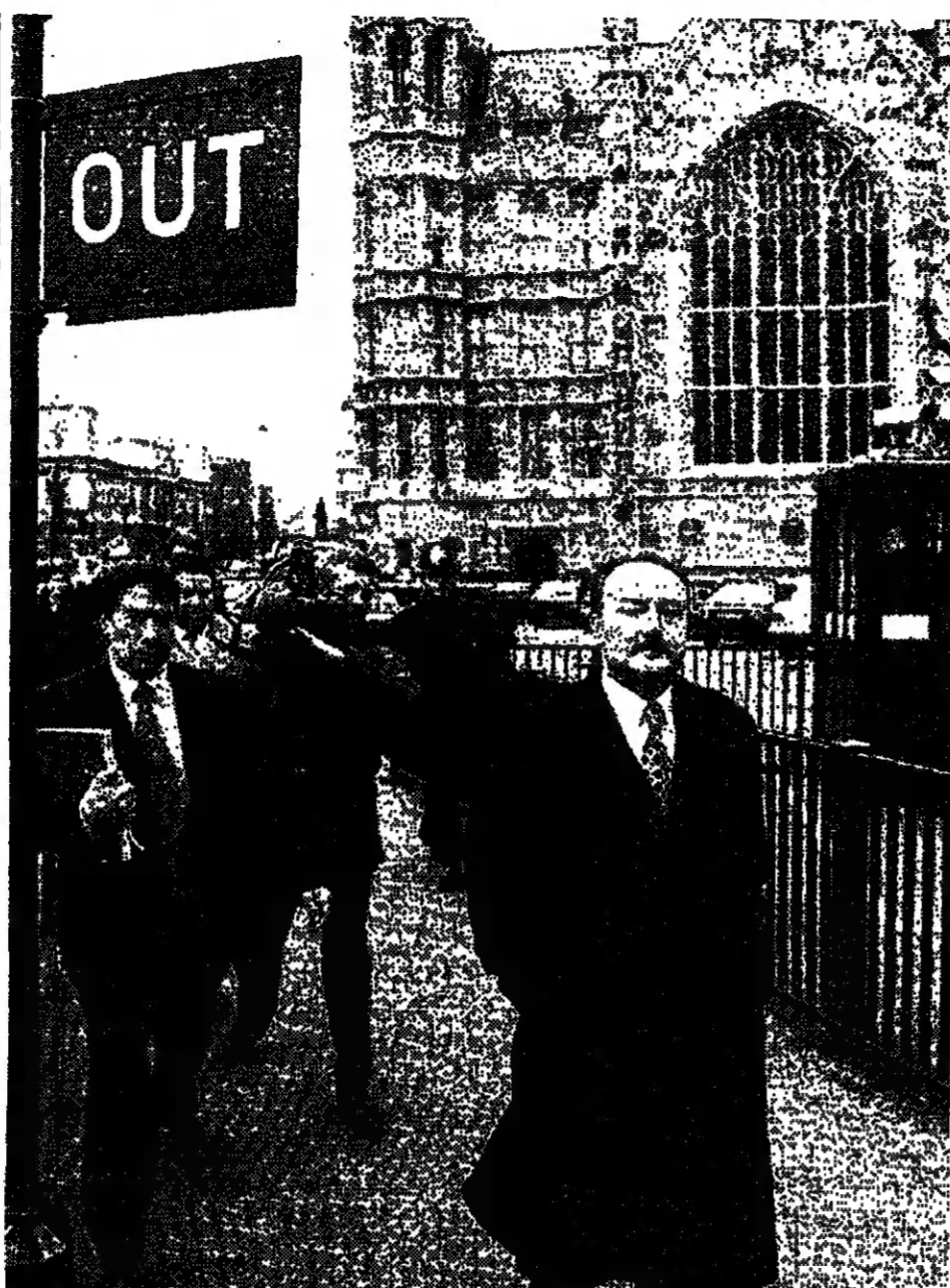
Referring to the work of the DTI's competitiveness unit, Mr Heseltine warned the committee that Europe "is going to have to face up to some fairly unpalatable changes as it meets the challenge from Asia in the next decade."

He added: "People will not base industries in Europe out of charity."

He conceded that Whitehall departments were not working closely enough together in liaising with industry, but criticised trade associations in some sectors which, he said, "often do not do a good job."

The government recently conducted a wide-ranging "benchmarking" exercise, comparing the performance of specific sectors with those overseas, the results of which are believed not to have been published in full.

Opposition Labour members of the trade and industry committee called on the government to provide financial help for companies engaged in technological projects. But Mr Heseltine refused to support any large-scale increase in government subsidies.



George Galloway at Westminster yesterday after being disciplined for meeting Saddam Hussein

## MP is censured over trip to Iraq

The Labour leadership yesterday tried to contain its embarrassment over a recent trip to Iraq by Mr George Galloway, the Labour MP for Glasgow Hillhead, by issuing him with a "severe reprimand".

James Blith and Philip Stephens wrote.

Mr Derek Foster, the opposition chief whip - parliamentary business manager - warned Mr Galloway after an appearance on Iraqi television earlier this week in which the MP praised President Saddam Hussein.

Mr Galloway, an outspoken opponent of sanctions against Iraq, apologised for the appearance, in which he had saluted Mr Saddam's "courage, power and indefatigability" in the presence of the dictator.

He expressed "deep regret for any offence or pain that may unwittingly have been given to families of British victims of the Gulf war."

At question time in the Commons Mr John Major, prime minister, said the whole House would think the Labour MP "foolish." There was nothing to be said for Saddam "and nothing should be said for him by any member of this House."

It was understood yesterday that some Labour members were considering whether to raise Mr Galloway's behaviour with Labour's ruling National Executive Committee, with a view to having him removed as a candidate at the next general election.

## Milk body faces pre-split shake-up

By Deborah Hargreaves

The Milk Marketing Board, the body that oversees UK milk production and sales, could be forced to hived off Genus, its £30m artificial insemination unit, and National Milk Records, its milk testing business.

It might need to do this in order to obtain government approval for its plans to transform itself into a farmers' co-operative when the £3.3bn milk market in England and Wales is opened to competition later this year.

Genus could be floated off as an unlisted company or made into a government body.

Its turnover last year was £30m, with pre-tax profits of £4m.

The flotation of Dairy Crest, the board's milk processing division, has been delayed from next month to June or July because of government objections over plans to reorganise the board.

Mr Andrew Dare, the board's chief executive, who will head Milk Marque, the new co-operative, said the options for separating Genus and National Milk Records were under consideration.

"But National Milk Records is so closely integrated with the milk board's daily activity that it would be quite a headache to split it off," Mr Dare said.

The board must decide by Monday whether to hived off both units to satisfy government concerns about its dominant position in the market.

Government queries over the board's plans have delayed the introduction of competition into the milk market from April to either the beginning of August or October, Mr Dare said. "I want to be able to prove that a properly managed and properly financed farmers' co-op can succeed. We have to get it right now."

Mr Dare said he had cleared up all of the government's misgivings over the reorganisation plan except the fate of Genus and National Milk Records.

## Scientists play down fears on thinning of ozone layer

By Bronwen Maddox,  
Environment Correspondent

Thinning of the ozone layer has hit record levels, UK government scientists said yesterday. But they also predicted that ozone levels would return to normal towards the end of the next century if countries observe new treaties curbing harmful chemicals.

At the publication of a Department of the Environment report on ozone, scientists also warned that fears about a rise in skin cancer rates were sometimes exaggerated.

The layer of ozone gas in the upper atmosphere shields people and plants from the sun's damaging ultra violet rays. Mr Joe Farman, the scientist who discovered a "hole" in the ozone layer over the Antarctic, said yesterday thinning would be at its worst around 2005.

The report says ozone levels over the UK in the winter of 1992-93 were the lowest since records began in 1979 - a thinning of about a quarter in the past decade. The ozone layer is thinner in winter than summer because of atmospheric pressure changes.

The thinning in 1992-93 was partly due to natural factors: eruption in 1991 of a volcano in

An annual seminar organised by Cambridge University on environmental matters for senior businessmen is to be the centrepiece of a new environmental initiative launched yesterday by Prince Charles, David Lascelles writes.

The seminar, which will be organised in conjunction with Cambridge's Programme for Industry, will aim to get across the message that environmental awareness and sustainability are good for business.

The prince told a group of businessmen yesterday that he believed that companies which took a strategic approach to the Philippines, and a anticlone over the northern hemisphere. Preliminary figures for the end of 1993 show some improvement, scientists said.

Mr Farman said people's fears over ozone thinning were sometimes out of proportion. "The bigger problem may be disruption of insect life and pollination of plants. Human beings can put on a hat and sun screen; bees can't do that."

The extra dose of radiation that people in the northern hemisphere will receive by 2005 because of ozone thinning will be roughly the same as

the environment would open up new markets for themselves, and gain in competitiveness and efficiency.

The first seminar next September will be addressed by top businessmen and environmentalists.

The initiative is being sponsored for its first three years by British Airways, ICI, Wessex Water, Waste Management and National Westminster Bank, whose chairman, Lord Alexander will chair the management committee.

Lord Alexander said that the programme would be aimed particularly at future business leaders.

they would get by moving from Aberdeen, in Scotland, to a sunnier climate such as the south of France, he added.

The Montreal Protocol, negotiated in Copenhagen in 1992, commits countries to phasing out the production of industrial chlorine gases (CFCs), mainly used in refrigeration and air-conditioning equipment. Environmentalists and scientists want the ban to cover other chemicals including HCFCs - a replacement for CFCs - and methyl bromide, widely used to preserve fruit, vegetables and crops.

## Tanker accident report blames captain's actions

By James Burton  
and David Owen

The Greek captain of the Liberian-registered tanker Braer, which caused an oil spill when it ran aground on Shetland last January, is accused in the official report on the incident for "serious dereliction of duty."

Captain Alexandros Gellis is blamed for not taking action to deal with pipes which had broken free on the deck of the tanker in stormy seas during the voyage. These pipes damaged air pipes to the ship's fuel tanks, allowing seawater to enter and contaminate the fuel supply. This eventually caused the engine to stop and the ship to drift onto the shore.

The report, by the Marine Accident Investigation Branch of the UK Department of Transport, says that Captain Gellis failed to have the loose pipes re-secured or jettisoned, and failed "simply to observe them to see the damage they may have been causing."

BAH Shipmanagement company of Stamford, Connecticut, US, the Braer's operators, said the report did not give enough

weight to the severity of the weather at the time. It relied "excessively upon hindsight" in criticising the officers, the company said.

The Braer, carrying 35,000 tonnes of crude oil from Norway to Quebec, broke down at 4.00am on January 5 1993. Her crew was evacuated by helicopter just before the Braer struck a tug Lervick, arrived on the scene at 9.15am. The ship ran aground at Garth's Ness at 11.20am.

The quality of the senior crew on the ship, "while no doubt typical of many hundreds of other vessels trading at sea today, left much to be desired", the report says, in most other respects, however, the Braer's captain and officers made correct decisions and displayed excellent seamanship, the reports says.

But it rejects allegations that the ship was defective and that she should not have been sailing through the 25-mile-wide Fair Isle channel between Shetland and Orkney. It says the ship was "structurally sound with no known significant deficiencies" and that her planned route was a normal one.

# Bank of England concern over EU supervision directive

By Robert Peston

Severe restrictions on the Bank of England's powers to intervene in cases of alleged misconduct at London branches of banks with headquarters in other parts of the European Union are disclosed in a letter from the Bank to a British businessman.

The letter, written by Mr Brian Quinn, the Bank's director in charge of banking supervision, was sent a few days ago to Mr Andre Levy, who is suing ABN Amro, the big Dutch bank for negligence.

Mr Quinn says in his letter that the implementation last year of the EU's Second Banking Co-ordination Directive means that: "As a matter of law, the Bank's powers to intervene in ABN Amro Bank's affairs have been considerably re-

duced... and do not extend to questions of the fitness and propriety of the managers."

"It follows that your concerns about ABN Amro Bank's conduct and management should in future be directed to the de Nederlandsche Bank [the Dutch central bank] as the relevant home supervisory authority."

Before the Bank passed responsibility for the case to the Dutch central bank last year, it felt that the dispute between Mr Levy and ABN Amro was a commercial one and did not raise issues of relevance to it as a supervisor. However, the Bank has continued to receive information on the case since it handed over responsibility for it. The Bank refused to comment yesterday on whether it now took a harsher view of ABN Amro's conduct.

The Bank has received evidence from Mr Levy and representatives of two other companies, Chieftain and Scanfisheries, that in late 1990 and 1991, ABN managers advised them to raise money through complex borrowing schemes arranged by Mr Bruce Picken of PMC Financial Services.

In all three cases, Mr Picken asked for payment of advance fees totalling several hundred thousand dollars.

The three companies say Mr Picken's failure to produce the funds led to significant costs and disruption for their businesses - though they all say that they refused to pay the advance fees.

Mr Picken was declared a bankrupt in May 1991 and is believed to have left the country.

Mr Quinn's letter is the bluntest admission to date that one effect of

the directive is to curtail the powers of supervisors to assess the fitness of bank branches whose head office is elsewhere in the EU.

The directive's central aim was to improve the supervision of banks by forcing each EU member's supervisory authority to take responsibility for verifying that banks headquartered in its country are fit to take deposits.

Mr Alex Crichton, a director of Chieftain, which tried to raise almost £100m through ABN and Mr Picken, said that he was very disturbed by the implications of the directive.

"ABN was operating in London and we dealt with them as though they were a British bank," said Mr Crichton, who submitted his evidence to the Bank last week.

Mr Levy is suing ABN Amro's London branch for negligence and breach of contract in respect of attempts by his company, Columbus Tobacco, to raise \$4m between October 1990 and March 1991 for the exploitation of a cigarette brand called Route 66.

The writ alleges that the bank failed to adequately investigate either the viability of the funding scheme or the standing of Mr Picken.

Mr Levy first brought the affair to the attention of the Bank of England more than two years ago.

The Bank said yesterday that a hundred hours of a senior manager's time had been spent examining papers relating to the case.

Mr Levy says ABN ignored warnings about Mr Picken. Mr Charalambos Katsamas, of the shipping com-

pany Internav, said yesterday he informed ABN towards the end of 1990 that he felt the bank should not be dealing with Mr Picken.

Mr Katsamas had been trying to raise substantial finance from Mr Picken but became alarmed when he was asked to transfer \$6m to Switzerland to purchase securities as collateral for a loan and also to pay a \$250,000 advance fee. He refused.

ABN continued to work with Mr Picken on deals for Scanfisheries, Mr Levy and Chieftain. Even after Mr Levy made a formal complaint to ABN in April 1991 about his experiences with Mr Picken, the bank continued to work on the Chieftain and Scanfisheries transactions.

ABN Amro yesterday refused to make any comment.



MANAGEMENT

Leaders in the vision league

After a decade of global restructuring and heavy investment in "lean manufacturing" and "time compression" to speed product development, where are the world's most responsive manufacturing businesses?

The answer, according to an exhaustive global survey\* launched this month by Deloitte Touche Tohmatsu International, the international accountants and consultants, is still Japan - but only just.

Overall, the Japanese come closest to having achieved the vision for the "single manufacturing enterprise" of the 21st century, says the survey of 1,300 leading manufacturing companies in 11 industrialised nations. It is probably the most ambitious global exercise in benchmarking manufacturing.

Japanese leadership in this area is important because, as the survey puts it, "global competitive battles will be won and lost on an organisation's ability to tap interface capabilities, particularly in manufacturing, design and marketing". The findings suggest that the Japanese have greater abilities for rapidly introducing new products and increasing production volumes, because of their superior co-ordination across functions.

However, US and Canadian executives perceive themselves as only slightly behind the Japanese in terms of agility, though the Europeans and Latin Americans admit to wider gaps.

"There is little doubt that, in the future, organisations making the greatest competitive strides will be those that can best integrate inter-firm and intra-firm activities and can shorten their new product development times," says the survey. Spanning traditional functional boundaries requires radical departures from current operations, it adds.

**Andrew Baxter**  
\*Vision in Manufacturing: Planning for the Future. FTS. For copies contact David Read on (UK) 071 836 3000

The British non-executive director came of age this week. On Tuesday the Bank of England sold Pro Ned, the body that for a decade has championed the cause of the non-executive, to the sharp end of the private sector.

When Pro Ned was set up in 1982, only 50 per cent of listed companies had non-executive directors. Of those only 30 per cent were independent. More than 11 years later there is barely a quoted company that does not have at least one non-executive director on its board.

The world has been spread and companies have listened. Yet the credit does not lie altogether with Pro Ned. The recession, the growing power of institutional investors and the recommendations of the Cadbury Committee have all put pressure on companies to get independent members on to their boards.

Even companies like Amstrad, which long held out against the idea, have recently given up the fight. Morrison Supermarkets, the Bradford-based food retailer, now stands out as a rare example of a substantial company that refuses to let any non-executives into its boardroom.

Small and medium-sized companies are also warming to the theme. The venture capital organisation, has a list of possible non-executive directors and supplies about 100 a year. Partnerships such as solicitors, engineers and mutual insurance firms are also starting to hire non-executives.

During Pro Ned's lifetime, its role has changed from talking to doing. No longer is it mainly a proselytising body pushing a minority inter-

Lucy Kellaway on the privatisation of Pro Ned, the body that puts non-executive directors on the board

The trouble with independence

est, but a reasonably efficient and reasonably prosperous employment agency for non-executives. Altogether it has found jobs for more than 600 directors.

The Bank of England, doubtless feeling it did not belong in the head-hunting business, has placed Pro Ned under new and more suitable ownership: a joint venture between Egon Zehnder, the executive search consultancy, and Pro Ned's own management.

"Our first objective of raising awareness has been fulfilled," says Bruce Rhodes, a director of Pro Ned. "But we still have a campaigning role, about how to make appointments, and to find a professional way of getting the right people on to boards."

While non-execs are on the way in, the title "non-executive" is on the way out. These days the protagonists, including Sir Adrian Cadbury himself, are making a point of calling them independent directors. Explains John Brill of headhunters Hanson Green: "'Non-executive' has

the connotation of not doing very much."

Even though companies are hiring more non-executives, that does not mean they are making the best use of them. According to David Clutterbuck, author of *The Independent Board Director*, it is misleading to take any comfort from the fact that most companies have at least one non-executive. He argues that on most boards executives still outnumber non-execs, while the audit and remuneration committees often still have a strong executive presence.

He also complains that many non-executives do not know what to expect from the company when they join, whereas most companies are similarly in the dark about what to expect from their independent directors.

"Most people expect the non-execs to wait in like John Harvey Jones. But that is not their role," he says. Clutterbuck is considering establishing a club for 100 companies and individuals to share best practice

and discuss matters such as training of non-executives.

He argues that more careful selection of non-execs will solve some of the problems. Headhunters are only too happy to fill this role: recruiting non-execs is turning into a profitable little business for them. Ian Butcher of Whitehead Mann reckons that non-executive recruitment business has tripled in three years.

Not only has the number of non-executives increased - there are at least 8,000 in the UK - but the proportion of companies seeking outside help with recruitment has also increased. According to Pro Ned, a year ago two-thirds of listed companies used the old-boy network to fill vacancies. Now it estimates that the proportion has fallen to less than half. This year there will be about 2,000 non-executive appointments to companies of a decent size. That means a great deal of business for headhunters which charge between £15,000 and £30,000 for each appointment.

Yet for all the work it has done,



BANX  
"YOU KNOW WHAT I MISS?  
MY NON EXECUTIVE DIRECTORSHIPS."

Pro Ned does not enter the private sector covered in glory. Many people who have failed to get on to its select list of 900 eligible candidates for non-executive positions argue that its criteria are too narrow - that many of the people on the list are too old and too obvious. Others who have managed to get on to the list but who years later have still not had a single sniff of a job are also restless.

The headhunters argue that Pro Ned's way of selecting clients from a list is too passive (they put less emphasis on the fact it has also been some £10,000 cheaper). They argue that only by conducting a search can the perfect person be found.

Under the new ownership Pro Ned is likely to change, becoming more expensive as well as more active, going out to find business rather than responding to companies which have asked.

Business school blueprint

Ian Hamilton Fazey examines Manchester's plans to go federal

Eighteen months on from the row over the future of its internationally-renowned business school, Manchester University is striving to reassert itself as a top-rank European centre of management education and research.

Its ambitions include a place in the world league which arguably includes institutions such as Harvard, Stanford and Northwestern of Illinois in the US, and Insead, London Business School, Henley, Warwick University and Cranfield in Europe.

Manchester's aim is to offer "cradle-to-grave" management education from undergraduate courses to post-doctoral research, including masters degrees (MBAs) and a range of shorter courses for experienced managers.

All this will be provided under the umbrella of the new Manchester Federal School of Business and Management, which comes into being this month and which will start operating formally in October.

The federation will comprise Manchester Business School, an entirely postgraduate institution, and three organisations which have all scored five out of five in the UK government's ratings of quality of research: the university's department of accountancy and finance, the school of management at University of Manchester Institute of Science and Technology (Umisit) and a small group of academics and postgraduates in a group called Prest - a programme of Policy Research in Engineering Sciences and Technology. The federation will have about 200 teaching staff and 2,000 students, of whom between 35 and 40 per cent will be postgraduates or experienced managers on courses.

The three main institutions have

functioned independently until now but, according to Martin Harris, the university's vice-chancellor, were competing fiercely for both staff and students and in danger of replicating teaching posts.

Harris says the federation will encourage economy of scale and synergy, mainly through pooling teaching and research staff. Staff will operate between the institutions according to demand.

Students will be able to take various combinations of subjects and courses throughout the federal school, as well as combining them with other relevant courses, such as the engineering sciences, in the university. A points system for degrees, with students gaining marks incrementally as they complete the various constituent

modules of combinations of courses, is planned.

Harris believes the federation will get better financial treatment from the government's Universities' Funding Council than if Manchester's business and management functions had gone their own way. Part of the federation's planning is a project costing up to £11m to locate all the institutions near the present business school buildings.

The federation issue was at the heart of the row over the future of Manchester Business School. The staff were split over whether the school should go its own way as a practically-oriented, less "academic" body. Those favouring autonomy included the school's council of private-sector leaders, who resigned and asked the

government to intervene.

But the government stood back. Tom Cannon, the school's director, left his post shortly after, although he retains a visiting chair in corporate governance.

The school, now headed by the internally-promoted Tony Cockerell, has a new board of private-sector heavyweights, chaired by James Ross, chief executive of Cable & Wireless, who got his own MBA in Manchester. It includes Sir Terry Burns, permanent secretary to the Treasury, whose appointment made up for the loss of Sir Peter Middleton, one of his predecessors as head of the Treasury.

Manchester academics naturally hope that the federation marks a new dawn. "There has been no full-range international business

school in the UK until now," says Cary Cooper, an American psychologist who works at Umist and is an authority on managerial stress. "Most schools concentrate on postgraduate and post-experience work. In terms of staff numbers, as well as the range of courses and disciplines covered, this will be pre-eminent."

There are still plenty of sceptics, however, who wonder if it will work. The one missing factor is leadership. As most management teachers acknowledge when talking about organisations generally, many co-operative efforts fail because ideals, or mutual self-interest, are not enough without someone in charge to drive them through.

Cooper, who knows more than most about the psychology of leadership in management, agrees this is a weakness. The hope must be that it is not exposed. If it is, the old axiom, "those who can, do those who can't, teach," would rarely have been better exemplified.

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For further information please contact the Administrative Receiver, Tony Thompson, KPMG Peat Marwick, Aquila Court, 31 Fishpool Street, St Albans, Hertfordshire AL3 4RF. Tel: 0727 843000. Fax: 0727 864423.

**KPMG Corporate Recovery**

**Atrium Manufacturing Limited**  
(In Administrative Receivership)

The Joint Administrative Receivers offer for sale as a going concern the business and assets of Atrium Manufacturing Limited, an established designer and manufacturer of conservatories, windows and doors. Turnover for the year to March 1993 was approximately £1.5m.

Principal features include:

- Highly skilled craftsmen and designers
- Established network of over 150 distributors
- Purpose built freehold premises of approximately 23,000 square feet
- Quantity of specialist plant and equipment
- Patents and trademarks

For further information contact the Joint Administrative Receiver, Martin Page, KPMG Peat Marwick, Holland Court, The Close, Norwich NR1 4DY  
Telephone (0603) 620461 Fax (0603) 781257.

**KPMG Corporate Recovery**

**Five Star Door Company Ltd.**  
**Five Star Door Company (Norwich) Ltd.**  
**In administrative receivership**

The Joint Administrative Receivers, David Walker FCA and Lynn Houghton FCA, offer for sale as a going concern the business and assets of this retailer and importer of cane furniture based in Grimsby and Norwich.

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For further details please contact David Walker or Neal Littlewood, at the address below.

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For further details please contact, Peter Whalley or James Tickell, at Coopers & Lybrand, 1 Port Way, Port Solent, Portsmouth PO6 4TY. Telephone: (0705) 201888. Fax: (0705) 201784.

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Alan Thomas and Patrick Wadsted Joint Administrative Receivers of this designer, manufacturer and wholesaler of jeans and ancillary products offer for sale the business and assets of the company.

- Turnover @ £4,000,000 p.a.
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- Stocks of approximately £400,000
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For further information please contact Alan Thomas or Andrew Andronikou at: Kidsons Impey, Spectrum House, 20 - 26 Cursitor Street, London EC4A 1HY.  
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## TECHNOLOGY

Wound healing is one area of medicine that the pharmaceutical industry has hardly touched. Although healthcare companies are producing an increasingly sophisticated range of protective dressings which enable the natural healing process to take place under good clean conditions, there are few drugs designed actively to heal wounds.

The position will be very different 10 years from now, if current research comes up to expectation. Scientists are developing healing combinations of "growth factors" - natural proteins that regulate cell growth - and creating new skin by "tissue engineering" to cover wounds.

The two main types of wound present quite different medical problems.

Chronic wounds are caused by inadequate blood flow in people whose overall health is generally poor. Examples are diabetic ulcers and pressure sores in long-stay hospital patients. These may be prevented, to some extent, by avoiding sustained pressure in any one place, but once formed they are extremely hard to cure.

Acute wounds are caused by sudden trauma - for example, accident or surgery - in otherwise healthy people. The challenge here is not to get them to heal but to improve the quality of healing by reducing the amount of permanent scarring. Scar tissue not only looks ugly; it can also cause medical problems, especially in children, because it is much less flexible than normal skin.

The outlook for improved treatment seems to be brighter for acute than for chronic wounds. "We may understand within five years how to achieve our ultimate goal - scar-free healing," says Greg Schultz, a scientist at the University of Florida Wound Research Institute in the US.

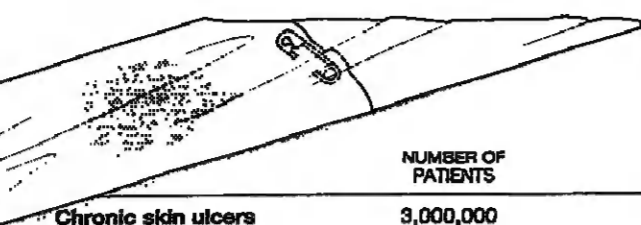
The starting point for research in several laboratories is the observation that an embryo or foetus heals without any scarring. "The challenge is to understand the biochemical differences between adult and foetal healing, and then recreate foetal conditions in the adult wound," Schultz says.

Some molecules - notably transforming growth factors beta-1 and beta-2 - are present in far larger quantities in the adult than in the foetus. Mark Ferguson, a biology professor at Manchester University in the UK, has developed a technique to "neutralise these growth factors so as to restore the balance to that present in the embryo".

The Manchester team has achieved scar-free healing in laboratory rats by blocking TGF-1 and TGF-2 and plans to start human trials later this year with patients

Clive Cookson looks at the growing market for wound healing treatments, in a series on drug discoveries

## Right time for dressing up



Potential US market for new healing products

	NUMBER OF PATIENTS	PERCENTAGE TREATED	MARKET (\$m per year)
Chronic skin ulcers	3,000,000	10%	1,500
Acute wounds			
Surgical	20,000,000	5%	1,000
Severe burns	100,000	50%	50
Skin grafts	100,000	50%	50
Cosmetic	500,000	80%	400
<b>Total</b>	<b>23,700,000</b>		<b>3,000</b>

Source: Genetic Technology News

undergoing minor surgery. Mannose-6-phosphate, a sugar that inhibits growth factors, will be used first, followed by neutralising antibodies.

Ferguson believes the healing process has evolved to close wounds as quickly as possible under dirty conditions - and scarring is the natural consequence. "For our ancestors, it was better to be scarred than dead from septicemia (blood poisoning)," he says. "With contemporary hygiene and care, and the growth factors are in overdrive and they can be reduced to eliminate scarring without adversely affecting healing."

The greatest success of scar prevention so far is in patients undergoing eye surgery - for whom the amount of scar tissue can make the difference between blindness and sight. Specialists at the University of Florida and Moorfields Eye Hospital, London, have found that a single touch of 5-fluorouracil, an anti-cancer drug that inhibits cell proliferation, greatly reduces scarring after surgery for glaucoma (excessive pressure inside the eye).

Another drug with potential for reducing scarring in the eye after

surgery and chemical burns is Galardin, an enzyme inhibitor. It is in clinical trials with Glycomed, a Californian biotechnology company.

Attempts to speed up the healing of chronic wounds, which plague an estimated 3m Americans and a similar number of Europeans, have been less successful. Several growth factors are undergoing clinical trials but results so far are generally disappointing.

"One problem is that growth factors work together in combination," Ferguson says. "It may be that we need to add more than one growth factor at a time."

Curative Technologies, a biotechnology company in East Setauket, New York, is attempting to get round that problem by extracting a combination of growth factors from blood platelets. Its first product, Procuren, is derived from the patient's own blood at the company's chain of 50 wound care centres; the platelets are isolated by centrifuging a pint of blood and then treated with an enzyme, thrombin, to stimulate the release of growth factors.

Curative has gone on to organise clinical trials of a similar product, CT102 - growth factors extracted from pooled blood donations rather

than each individual patient. Early results showed that the therapy healed 80 per cent of diabetic foot ulcers, while 29 per cent healed with a placebo dressing.

Acknowledging today's cost-conscious environment, Curative commissioned a study by Arthur D Little, which showed that CT102 reduced the total cost of treatment per patient by \$13,500 (\$9,000). Wounds are a significant burden on the world's healthcare systems, costing several billion dollars a year to treat. In the UK alone, pressure sores and leg ulcers cost the National Health Service an estimated \$500m a year.

However, even a combination of growth factors may have trouble curing a deep ulcer, because non-healing wounds contain high levels of enzymes (proteases) which break down the growth factors before they can do their work. Schultz says chronic wounds may contain 500 times more protease than healing wounds.

Instead of applying drugs such as growth factors to the wound, an alternative approach is to cover it with living cells which then make their own healing chemicals in the correct balance on the spot. Howard Green of Harvard Medical School

discovered in the 1970s how to grow human skin cells in culture. His technique has been developed by several tissue engineering companies in the US, including Advanced Tissue Sciences, Biosurface Technologies and Marrow-Tech.

They use a variety of cell sources, including cadavers and the foreskins of newborn babies who have just been circumcised, to produce sheets of artificial skin. These are available as an immediate cover for large acute wounds and burns. But they are eventually rejected as foreign material by the patient's immune system.

The ideal wound dressing would be a sheet of skin grown from the patient's own cells - a process that unfortunately takes a couple of weeks. To speed things up, Smith & Nephew, the UK healthcare company, is developing a "living bandage" as a compromise between skin grafting and more conventional dressings. It consists of a synthetic polymer film seeded with the patient's skin cells. Within three days these have spread sufficiently for the living bandage to be applied to the wound, where the skin cells grow down into the underlying tissues. Eventually, when the regrown skin firmly covers the wound, the polymer film falls away.

Alan Suggett, Smith & Nephew's R&D director, says the living bandage is giving encouraging results in preliminary trials on burns patients but he is cautious about the timing of its commercial release.

Meanwhile Smith & Nephew and other manufacturers of wound dressings are introducing new polymers to improve the performance of their more traditional products. For example, Wiltshire Medical Products, based in Dallas, Texas, recently introduced HydroDerm dressings, made from a transparent polyurethane film; they transmit moisture at a variable rate so as to keep the wound moist without allowing fluid to build up.

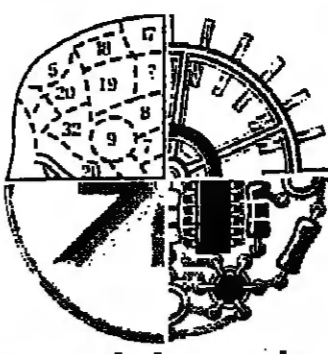
The wound care market is currently worth about \$2bn a year worldwide. That could double if healing pharmaceuticals make a significant contribution over the next decade. And millions of patients who now suffer permanent scarring or chronic ulcers would be immeasurably happier.

The series will continue next month with an article on prostate problems.

Articles over the last six months have looked at pharmaceutical advances in the following areas:

Obesity	23 December
Contraceptives	12 November
Anaesthetics	12 October
Diabetes	17 September
Epilepsy	27 August
Arthritis	27 July

### Worth Watching - Della Bradshaw



#### Colour hologram to halt CD pirates

Music and software held on cassettes and floppy discs have long been pirated, costing the entertainment industries millions of pounds in lost revenues. Now counterfeiters are beginning to copy compact discs, containing music, software and computer games.

Compact disc manufacturer Discronics, of West Sussex, has developed a way of printing colour holograms on to CDs so that a genuine product can easily be recognised from a fake. The hologram is printed on the master copy of the disc - for a cost of between \$800 and \$2,200 - and then replicated.

The hologram can be a silver or multi-coloured pattern which covers the whole surface - an idea Discronics believes could prove popular with computer games companies. Discronics: UK, 0403 732302.

#### Whiskers transform plant cells

Zeneca, the UK bioscience company, has found an astonishingly simple way of inserting new genes into plants, writes Clive Cookson. It uses microscopic needle-shaped whiskers, to punch holes into plant cells through which foreign DNA can enter.

The researcher just shakes a test tube full of water, whiskers, DNA and cells for a few seconds with an ordinary laboratory mixer. Silicon carbide is an extremely hard industrial chemical and its crystals are widely available.

The patented Zeneca method is far faster and cheaper than the techniques used elsewhere for genetic engineering of plants. The company says it has already used whiskers to add new genes

to maize - a crop that is very difficult to transform with other techniques - and intends to apply the method to many other plants. Zeneca Seeds: UK, 0425 655048.

#### Danish banks put a stop to abuse

Danish banks have introduced a digital signature security system which will cover all the country's banks by the end of this year, writes Hilary Barnes. Called Telesig, it is designed to prevent the abuse of office banking systems in which money is transferred electronically, by ensuring that senders and receivers are always identified.

The software-based system was developed by Cryptomatic, a small company owned by research staff from Aarhus University. Telesig uses advanced cryptographic solutions, based on mathematics. Cryptomatic: Denmark, 66202000.

#### Testing the purity of fruit juice

A technique developed at the University of Nantes, in France, to certify the authenticity of French wine, is now being used to determine whether fruit juices are as pure as their labels assert.

The NMR technique (nuclear magnetic resonance) determines whether sugars in the juice come from fruit or sources such as sugar beet or cane.

Ruofin, the Nantes-based company which carries out the process, ferments the sugar into alcohol. Magnetic resonance is then used to determine the overall ratio of hydrogen and deuterium, the heavy hydrogen isotope, in the alcohol. The ratio varies according to the type of sugar.

The process also identifies where the carbon atoms in the alcohol are sited, a further indicator of the purity of the orange, apple, grapefruit or pineapple juice. Eurofin: France, 40 59 45 71; UK, 0961 251602.

#### Correction

In the article on January 14 headed "Japanese elevator girls bow out", the sterling equivalent of the ¥10m cost of the lift information system was given wrongly as £256,200 instead of £59,520.

## Telefónica de España, S. A. 1993 Interim Dividend

The Board of Directors of Telefónica de España, S. A. at its meeting held on December 22nd, 1993, adopted the following resolutions:

To distribute an interim dividend for the fiscal year 1993 to Telefónica shares that will be the following amount for each of the shares indicated below:

ISIN Code	Number of Shares	Gross amount (pesetas per share)	Net amount (pesetas per share)
ES0178430015	1 to 927,496,319	25.00	18.75

It was also agreed that the payment of this dividend will be carried out on February 17th, 1994.

Once this payment has been made, the 939,470,820 shares issued by Telefónica de España, S. A. will carry full rights and be entitled to the same dividend payments from the next dividend payment onwards.

Madrid, January 17th 1994  
THE BOARD OF DIRECTORS



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### Insurance moves

Ron Forrest has been appointed chief executive of BAIN CLARKSON, the international insurance broker which is part of the Incheape Group. Forrest, 51, has worked with Alexander & Alexander and its predecessor companies since 1987 and was most recently chairman and ceo of Alexander & Alexander Inc, the group's US broking subsidiary. At Bain Clarkson he replaces Simon Arnold. Arnold, who previously combined the roles of chairman and chief executive, will continue as chairman.

Ted Codling, formerly a branch director of TSB Group, has been appointed a director of four companies in The LONGFORD GROUP.

Nicholas Bacon and Alexander MacKenzie Smith have been appointed directors of BOWRING Worldwide Insurance Brokers. Sheridan Edwards a director of Bowring Aviation; Mark Cubitt, Philip Lundberg, Peregrine Muncaster and Tom Smith directors of the marine and energy division of Bowring Marine; and James Summers a director of its marine reinsurance division.

Frank White, president and ceo of Willis Corroon Americas, is appointed chairman of Willis Corroon Americas and to the board of WILLIS CORROON GROUP. Jake Wallace has retired as a director and becomes vice-chairman of Willis Corroon Corporation.

Alex Mackay, md of managing agencies, and Ian Martin have been appointed to the board of The BROCKBANK Group.

Mike Ball and Nick White have been appointed directors of H CLARKSON.

Colin Peters has been appointed secretary of LIVERPOOL VICTORIA FRIENDLY SOCIETY; John Lambeth remains chief executive, the two roles having been split.

Richard Turling has been appointed company secretary of TRADE INDEMNITY GROUP on the resignation of Graham Kent.

Kornelis Van der Ploeg has been appointed md of WINTERTHUR INSURANCE COMPANY (UK) and head of the international division of which the UK is a part.

Jeremy Clews has been appointed a director of SBJ Stephenson, part of STEEL BURLING JONES GROUP.

### Wimpey replaces finance director

Roger Wood has resigned as finance director of Wimpey, the large UK housebuilder and construction group, less than three years after joining the company.

Wimpey says Wood, finance director at Burmah Oil between 1986 and 1990, is leaving to pursue other business interests.

However, relations between Wimpey and Wood have been strained and a parting had been expected by the City. The company is understood to have felt that the former oil industry executive had not made an easy transition to housebuilding and construction.

Under the terms of his contract Wood is expected to receive a severance payment of more than £200,000. He is the latest in a series of board changes as chief executive Joe Dwyer has moved to strengthen the company's management, although it was Dwyer who appointed him in April 1991.

Other directors to have left



the group since 1991 include Bob Seller, managing director, Peter Whitehouse, who headed the group's US operations and Nelson Oliver who ran the housing division.

Wood is to be replaced by Richard Saville (above), who has been the company's corporate development director since 1991. Saville was previously director responsible for oil industry research with Morgan Grenfell Securities. He joined Wimpey in 1988 as cor-

porate finance executive working closely with the former finance director Michael Dowdy, since retired. He was closely involved in the group's disposal programme which has raised more than £300m and substantially improved the group's finances.

Saville, 45, will be expected to play a prominent role in Wimpey's plans to expand the group as the housebuilding and construction markets recover.

John Marshall, previously md, is to become chief executive of John Mowlem when Sir Philip Beck retires as executive chairman in August. Sir Philip will remain as part-time chairman.

Countryside Properties is splitting the roles of chairman and managing director. Previously both roles were filled by the company's founder, Alan Cherry, who will remain executive chairman of the group. Graham Cherry and Richard Cherry have been appointed joint managing directors.



Ladbroke yesterday ended nearly two months of uncertainty by announcing that Tommaso Zanzotto (above) is to become chief executive of its Hilton International hotels subsidiary.

At the beginning of December the group said it was having discussions with Michael Hirst, the head of Hilton, about his future. Hirst is a highly-respected hotelier and news that he would probably be leaving Hilton contributed to a fall in the Ladbroke share price last month.

The group is thought to have decided that a new head of Hilton International could make more of one of the world's best-known brand names.

Zanzotto, 52, was previously international president of American Express Travel Related Services, based in New York. He has worked for Amer-

ican Express in Italy and Mexico and as president of the Europe, Middle East and Africa division in the US.

Zanzotto, who was born in Italy, was a founding member of the World Travel and Tourism Council.

Ladbroke says Hirst has decided it was an appropriate time for him to leave the company, although he will assist his successor until the beginning of May.

Philip Coates, Stan Frith, Martin Gatto, David Jury and John Ridgeway, all directors of Gateway Foodmarkets, have been appointed to the board of GATEWAY GROUP.

Grocery chain Asda is promoting Allan Leighton from marketing to retail director from the end of the month.

The post had been unoccupied for some months after long-term illness forced Peter Monaghan, the previous incumbent, to take extended leave last year, and finally to resign at the end of the year.

Leighton, 40, was brought in by Asda chief executive Archie Norman in March 1992, after a long career with food group Mars, where he was latterly sales director of Pedigree Pet-

board, Leighton (below) has led the first phase of the group's recovery programme, repositioning the group as a more price-led retailer catering for the "weekly shopping needs of ordinary working families". He repositioned Asda's own label and also re-introduced the "Asda Price" advertising campaign.

Now he will take over the latest phase of the recovery programme - accelerating the rate of store change and the "renewal" programme of store refits. He retains his responsibility for the Dales chain of discount supermarkets which Asda has launched.

"The retail director's position is one that has become increasingly important," says Asda. "Moving Allan across is putting our strongest man in the biggest job."



### Non-executive directors

Robert Corroon, a non-executive director of WILLIS CORROON GROUP, died on January 17 at the age of 71.

Lord Remnant, chairman of NPI and a director of Bank of Scotland, at LONDON MERCHANT SECURITIES.

James Rawson, chairman and md of Epsom Group, at JAMES WILKES; Philip Ling has resigned.

Hugh Langhland as temporary chairman at LOW & BONAR; Ian Macpherson has resigned because of continuing ill-health.

Gilbert Massac, former deputy chairman and ceo of Compagnie Generale Maritime, at LONDON & OVERSEAS FREIGHTERS.

Lee Han Hian, a director of Kuala Lumpur Kepong Investments, at YULE CATTO.

David Hunter, recently retired chairman of Henry Cooke Group, at PATERSON ZOCHONIS.

Jeremy Paulson-Ellis, chairman of Genesis Investment Management, Herbert Scheel, senior vice-president Hannover Reinsurance, and Dean Day, president of Vietnam Chamber of Commerce and Industry, at THE VIETNAM FUND.

Terence Harrison, chief executive of Rolls-Royce, at VOSPER THORNCROFT; John Wells has resigned.

David Brooke, deputy chairman of JO Hambro & Partners and chairman of NASD's international markets advisory board; Charles Johnson, president and director of Franklin Resources Inc and a former chairman of NASD; and Jack Shaw, a deputy governor of the Bank of Scotland, at TEMPLETON INVESTMENT MANAGEMENT.

Robin Broadbent and Ian Ball have resigned from FERRANTI INTERNATIONAL.

Roy Sumner, a director of Scottish & Newcastle, at THE EDINBURGH INVESTMENT TRUST; William Cochrane has resigned.

David Gibbard, operations director at Swale, at THE PRINCIPALITY BUILDING SOCIETY.

Robin Launders has resigned from REG VARDY.

Brian Slade has resigned from SERCO GROUP.

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**T**he joint visit to Ankara yesterday of Douglas Hurd and Klaus Kinkel, foreign ministers of their respective countries, was an unprecedented Anglo-German initiative.

It would be normal for either the UK or Germany to participate in a European Union mission. But the latter would formally be led by the country occupying the presidency, which since January 1 has been Greece. But its only unrepresented, but its presence was virtually the object of the mission.

For different reasons both the UK and Germany are themselves Turkey's main friends and allies within the EU; and even though British officials insist on discourtesy to Greece is intended, both governments are anxious to maintain the Turks that the six-month Greek presidency will not damage EU-Turkish relations.

The Turks are delighted by the gesture, which Greece has described as a breach of the EU common foreign and security policy, supposedly in operation since the Maastricht treaty came into force on November 1. The move is a potent reminder of the importance of the European Union in their relationship with Turkey - "not a luxury but a necessity", Mr Hurd said on Wednesday - and of their impatience with Greek efforts to block this relationship in the hope of extorting Turkish concessions on Cyprus.

Turkish relations, which have warmed even before Turkey occupied northern Cyprus and drove out the Greek-speaking population in 1974, have been almost continuously strained since then. Their bilateral relations are not improved by a long-running dispute about oil exploration rights in the Mediterranean under the Aegean Sea - an issue which came close to causing war in 1988, and which Greece now threatens to revive.

In the eastern European Turkey is increasingly seen as the political and economic hub of the eastern Mediterranean, as well as a potentially stabilising influence in the Turkish republics of the former Soviet Union. In Europe, in the US, Turkey is viewed as a regional power, a buffer to Islamic expansion in the Middle East.

Turkey, as one senior British official put it, is a "trusted and

## An outsider looking in

John Murray Brown and Edward Mortimer on Turkey's hopes for closer European ties



Knocking on the EU's door: the Turkish foreign minister, Hikmet Cetin (right), who met his UK counterpart, Douglas Hurd

valuable interlocutor" in a range of trouble spots from the Balkans, to the Caucasus, central Asia and the Middle East. But it may not stay that way, unless Europe succeeds in complementing the relationship with stronger political and economic ties.

This month, Mr Jacques Delors, president of the European Commission, visited Athens and appealed to Greece to adopt a "constructive and strategic view of Turkey's importance".

Turkey is already smarting at the way its application for EU membership has been politically shelved since 1989 - while EFTA countries, and perhaps even former communist satellites in central and eastern Europe, are allowed to jump the queue. The latter prospect, clearly flagged by last year's Copenhagen summit, is especially galling to the Turks who feel their record as solid NATO allies since the mid 1980s, and their support for the west in the Gulf war, entitle them to expect better treatment.

Many of the reservations about Turkey's qualifications for EU membership expressed by the Commission in 1989 still stand: the problems presented by Turkey's large population; its heavy dependence on agriculture for employment; and, perhaps most emphatically, its less than credible human rights record. A recent debate in the British House of Lords, strongly critical of Turkish policy towards its Kurdish minority, was a salutary reminder for Turkish officials of the difficulty the country faces in improving its image in the west.

The next few months will provide a significant test for both the EU and the Turkish government in their efforts to keep Turkey's European ambitions on track. Barring setbacks, a customs union between Turkey and the EU is due to start in 1995. This will be the biggest change in Turkey's trading conditions since it signed an association treaty with the European Community in 1963, and the country has embarked on an ambitious programme of economic, social and political

reforms aimed at bringing its institutions into line with those of its European partners.

At the same time the Turks are eagerly seeking clarification of the EU's membership of the Western European Union - the EU's "arm and European pillar" of NATO - made to them last year, which they have yet to put in their parliament for ratification.

During his visit, Mr Hurd tried to define a comprehensive agenda, aimed at transforming EU Turkish relationship: completion of the customs union on time, a more intensive political dialogue, issues covered by the EU's common foreign and security policy, and a deepening of the defence relationship - while at the same time Turkey has to push ahead with legal and human rights reforms at home.

The UK is also urging Turkey to make renewed efforts to reach an early solution of the Cyprus problem, stressing that this has been an obstacle to improved relations, not just with Greece, but with Europe as a whole and indeed the US. It will not be easy, since the Turkish Cypriot leader Mr Raul Denktas is attached to his independent status, while the Greek Cypriot president, Mr Glafkos Kliridis, elected last year, is on the whole less flexible than his predecessor. The latest war of words would suggest there is still some way to go to create a climate of confidence to resolve the issue.

In addition, the Greek government has asked the EU for financial assistance due to Turkey under the so-called fourth financial protocol, and has asked to approve the "Matus package", a programme of support for Turkey prepared in 1991 by the Commission's negative opinion on the Turkish application for full membership.

Turkey's foreign minister, Mr Hikmet Cetin, has already thrown down the challenge to his European partners. "It is not that Turkey is in need of the money," he says. "The issue is whether the Union has the will to overcome the veto of just one of its members." Mr Hurd's and Mr Kinkel's visit may have partly reassured him but, coming in a week when the Turkish lira collapsed as several key economic indicators diverged further from the European norm, it should also have served to demonstrate that Turkey's problems with the EU are by no means all of Greek origin.



Thank heavens for the House of Lords. We would prefer the second chamber to be an elected one, but it is a comfort to have a body that is not subject to the whims of the House of Commons.

Let me explain. The government, which falls short of perfection, is confronted by an ineffective opposition. When ministers misuse their powers, or attempt to take too much upon themselves - which believe it or not they do - the ordinary citizen is helpless. There is no recourse to the courts or a basic law, as in Germany. The checks and balances do not exist.

One solution, as we have seen over the past year, is a strong, brash, intrusive and angry media. This is regrettable. Newspapers and TV, which by one, were not placed on earth to weaken the government or thwart its proposed legislation, shall not be in this administration.

Our trade is to report, analyse and comment. The House of Commons should be responsible for the rest. The lower house's failure to do its job has created a vacuum, which has drawn in the fearsome tribe of scribbles and questioners that has so damaged the Conservatives.

The House of Lords has likewise been sucked in. It, too, was elected by no one, but it does contain individuals who from time to time pursue the noble aim of safeguarding fundamental principles, without thought of party or personal advantage. In this the upper house is possibly more blessed than the media. Graced by Lord Whitehead, it is what

blest. It is no coincidence that the deterioration in the quality of the Conservative government first elected in 1979 dates from 1988, when the gentleman universally known as "Wille" stepped down. His role was that of purveyor of prudence and wisdom to the then Mrs Margaret Thatcher, without him her ear, her fate was sealed.

On Tuesday Lord Whitehead challenged certain clauses in the police and magistrates' courts bill. The new law would give the home secretary, Mr Michael Howard, the power to nominate chairmen of police and magistrates' courts. To explain the reason for this major change in the whole history of policing in this country, said the former home secretary, now dignified with the title of Viscount.

The answer is that the House of Lords is a body of men and women, elected yet another Tory home secretary, Mr Kenneth Clarke, proposed to pack the police authorities with his nominees. If memory serves, half were to be party placemen and half to be party placemen.

As originally conceived, the bill would have taken us a step towards a national police force, something the English know in their bones should be avoided. Other clauses in current Home Office bills, notably the proposed removal of the accused's "right of silence" in court, and the extension of management to the running of magis-

trate's courts have been criticised by the Lord Chief Justice. He may get less attention than Lord Whitehead, but his political strength is far greater, but the process is the same. The upper house is attempting to guard our civil liberties.

Lord Whitehead made one other point. "A bill for the police," he said, "...should command broad all-party support when it comes to Parliament..." In more decorous times, this would not have needed saying. Today the Conservatives are desperately afraid of Labour's assault on the traditional Tory lead on police matters. A consensus approach may be the imagination of the government. It is still tending the old Thatcherite machinery, quagmires by the score, changing the subject about efficiency, reading but failing to comprehend the manual left behind in the 1980s.

The House of Lords could do us another service. It could train its sights on the Deregulation and Contracting Out Bill. Make no mistake. Deregulation is highly desirable. Not one single unnecessary rule should be left standing. Indeed, the government's boast about a bonfire of controls would carry more conviction if more substantial material was to be left to the flames than the easy twigs and grass cuttings listed in Mr Michael Heseltine's glossy brochure. The trade and industry secretary is doubtless proceeding gingerly, as might have been expected, but his first offerings are pretty timid.

That said, the government is going about it the wrong way. It aims to give its ministers

powers to do anything they please with existing regulations, on the ground that to ask Parliament to amend or repeal previous laws would be time-consuming and cumbersome. Would it really? The number of days the Commons sits varies with every session. It was 244 in 1979-80 and 160 in 1990-91. Better use of parliamentary hours has been suggested by many who have studied the timetable.

If we reject that excuse for giving ministers the power to make law, try this one: before issuing an order, a minister must consult "such organisations as appear to him to be representative of interests substantially affected by his proposals..." In other words, he may choose to take lunch with the Burst-in-to-flame Furniture Manufacturers Association, but not the Keep Children Protected from Fire pressure group. To be fair, the bill provides for a 40-day delay before orders laid before Parliament can be confirmed by affirmative resolution. Parliamentary committees might examine orders during that period, although the mechanism for this is not yet established.

The Lords can hardly reject the bill. They could, however, improve it. As one example of possible amendments, they could "out the words 'appear to him', which I have written above, thus making it easier for ignored groups to sue. They could insist on a predefined mechanism for public scrutiny, such as a special standing deregulation committee or, better, an independent body to represent the public interest as against those of business associations. If the one opposition - the Lords - keeps the spotlight on ministers who may misuse their new deregulatory powers, the other opposition - the media - will do the rest.

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Joe Rogaly

## Lords to the rescue

**The lower house's failure to do its job has created a vacuum, which has drawn in both the media and the House of Lords**

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9UL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## Curious lack of interest in European law

From Mr Bryan Cassidy MEP.

On your excellent editorial on the need to cut back on the regulatory burdens of business ("First blood in the red tape war", January 20).

First, it is curious that there should be a furor in the UK over scrapping regulations without a full debate in Parliament. Many regulations implementing European Community

directives were not debated in the house beforehand.

I have been monitoring the way in which statutory instruments made under the European Communities Act 1972 go through Parliament. The Public Services Contracts Regulations 1993 which came into force on January 19 1994 were made and laid on December 22 1993, as were the Utilities Supply and Works Contracts

(Amendment) Regulations - both while Parliament was in recess. Both are concerned with the controversial public purchasing directive.

Second, your idea that there should be a "new select or standing committee for deregulation..." is scrupulously ministerial proposals in detail" has merit.

I would add that such a committee should also scrutinise

proposals for new regulations, especially those which might help to avoid the over-implementation of things like the "six-pack" or EC health and safety directives about which the government is rightly uneasy.

Bryan Cassidy, European Parliament, Strasbourg, France

## Credit where it's due for Clinton trade proposals

From Mr Harry L. Freeman.

Sir, The leader, "Mr Clinton trade agenda" (January 14), states that the US remains in the unilateral camp rather than the multilateral one. It is true he proposed that competition policy, trade-related environmental issues and workers' rights should be on the future agenda for world trade negotiations. While you endorse the idea of competition policy for a future agenda, you make much of the point that neither workers' rights nor environmental issues are clearly desirable trade subjects. However, you do not mention that Mr Clinton's proposals are the new World Trade Organisation agenda.

While you endorse the idea of competition policy for a future agenda, you make much of the point that neither workers' rights nor environmental issues are clearly desirable trade subjects. However, you do not mention that Mr Clinton's proposals are the new World Trade Organisation agenda.

Mr Clinton ought to be given credit for raising these subjects now for truly multilateral consideration. In the US we are patiently waiting for the European Union's ideas on subjects for future trade negotiations. The Uruguay Round, while successful, dealt primarily with issues from the 1970s and 1980s. It's catch-up time: we need to start

issuing the 1990s.

It is a pity that the long-standing US policy of trying to pry open Japanese markets for all exporting countries, and suggests it be referred to the WTO. No mention is made of the US goal - opening markets for all exporters. Those efforts have gone on for years and a few years' delay so that it can be raised in the WTO is simply not on when Japan continues to run such a huge trade surplus against most of the rest of the world.

In discussing Mr Clinton's trade policy, no mention is made of his pledge to Caribbean and Latin American countries to enter negotiations to ensure those countries are not discriminated against by the North American Free Trade Agreement. Nor is mention made of the Clinton administration's commitment to negotiate a bilateral trade pact with Chile as a harbinger of future liberalisation in many parts of Latin America.

Harry L. Freeman, The Freeman Company, 4708 Dorset Avenue, Chevy Chase, Maryland 20815, US

## Too harsh a view of life insurance industry

From Mr Laurence Hawthorn.

Sir, You cannot imagine how disappointed we were to read your editorial, "An end to dragging" (January 12), concerning the life insurance industry, and in particular the resignation of Jim Harrison from the Personal Investment Authority board.

To nail our colours to the mast, we are firm supporters of long standing of a single retail regulator. If the proposed constitution is a weighted average of public interest, the greater practitioner involvement clearly is the answer.

The KPMG report to which you refer obligingly, states that the industry made of personal pensions a proper mess. It only takes that there were thousands of file notes and therefore there was no evidence on the files that certain actions had been carried out. Not one client nor one adviser has been interviewed in the report.

The KPMG report to establish any actual bad advice has been given. You mention that "undesirable - and far too widespread - selling practices have been revealed". Where? The life insurance industry delivers to its policy holders £2.4m in benefits every hour of every day (ABI statistics). We have 10m policyholders and last year there were only 1,700 sub-

stantiated complaints handled by the ombudsman. The legal profession had 17,000 complaints and it is not taking the public beating that life insurance salespeople are taking.

The Financial Times is well respected for researching its topics and publishing the facts. I have to say in this instance that the Life Insurance Association wishes to register its disquiet at the way you seem to suggest that the industry has been tried and convicted and is only waiting for sentence by a regulator yet to emerge.

You might well look at the possibility that a complex commercial and regulatory situation is being exploited politically for ends we can only guess at.

Finally, there have been allegations of mis-selling based on high surrender values in recent years. However, a recent Times report has rightly revealed government statistics that showed 28 per cent of the population (15.7m) were unemployed over the two year period 1991-92.

I would ask you the question - is there a correlation between this statistic and the level of surrender values? Laurence Hawthorn, president, Life Insurance Association, Citadel House, Chertsey, Surrey, RG2 9AT, Berkshire WD3 8PF

## No favourable treatment

From Mr Miles Young.

Sir, I am involved in a public debate with the City of Camden Council (Letters, January 17), but Richard Arthur's claim that the City of Westminster receives favourable treatment from the government must be refuted. Mr Arthur should consider instead that it is Westminster's efficient business-like approach that sets our two boroughs apart.

Since April, government support has reflected the taxable base of each borough and, on that basis, Westminster's grant was less than that of most other London boroughs - less even than Camden's. Last year, we announced a Band D

tax of just £296 compared with £718 in Camden.

This reflected, among other things, Westminster's competitive tendering programme, which saves £10m a year, while also improving standards through enhanced contract specification. In addition, we have recently streamlined the centre of our organisation enabling us to concentrate more of our resources on front-line services.

These achievements, among many others like them, are the true "Westminster story". Miles Young, leader of the council, City of Westminster, Westminster City Hall, 64 Victoria Street, London SW1E 6QP

## Put freight on water

From Mr Ian Valder.

Sir, Your article "Rail freight wins £48m aid package" (January 19) announces increases in grants by the government to encourage companies to switch freight from road to rail.

Under the same scheme, grants are also available for developments that will enable freight traffic to be transferred from roads to the inland waterways.

Water transport is environmentally friendly and has the capacity to handle far more

than is presently carried. Canal-borne freight currently keeps 20-tonne lorry loads off Britain's roads every year and British Waterways, which runs the country's canals, is actively seeking opportunities to increase freight carrying on waterways.

Ian Valder, commercial director, British Waterways, Willow Grange, Church Road, Watford WD1 8QA

How far do you have to go to make money these days?

On Thursday, January 27 the Financial Times publish the FT Exporter: a 24 page quarterly review filled with information, news and opportunities for everyone with an interest in overseas markets.

It will provide an economic overview of the implications of the newly agreed Uruguay round of the GATT talks. It will also assess the fast growing markets of China, Hong Kong and Taiwan.

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## FINANCIAL TIMES

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Friday January 21 1994

## Russia's new government

Russia's Prime Minister Viktor Chernomyrdin said that the new government "will not retreat from the course of continuing and deepening reform". These remarks come under the heading of disinformation, which is what Mr Clinton said during his visit to Moscow last week. Coherent reform is not what the new government will provide. Nor will it supply coherent reaction. It is the middle ground of chaos.

The only reformer in a prominent position will be Anatoly Chubais, deputy prime minister in charge of privatisation. An isolated reformer in a government dominated by those from the military-industrial complex, he is unlikely to achieve much. Yegor Gaidar and Boris Yefimov are both gone. Securely in place, however, are such old apparatchiks as first deputy prime minister, Oleg Soskovets, and central bank chairman, Viktor Gerashchenko, not to mention the prime minister.

These are far from the worst people available. They are not militant xenophobes, for example. But they lack any coherent programme. At best, they will manage decay. At worst, they will bring inflationary disaster. Mr Chubais may have dissolved the old parliament, but he has adopted its policies. Meanwhile, outright reactionaries will be in the wings.

The old system Union failed in system of governance on force and fraud. Deprived of force, the new government intends to fall back on fraud. Leaders of a country whose currency has lost 90 per cent of its value in the past year say that lower inflation is no priority. It is showing that intention by letting two men with reputations in the west, Mr Gaidar and Mr Yefimov, depart. No wonder the rouble is plummeting on the foreign exchanges. Hyperinflation is looming.

## Gangsters' fortunes

Hyperinflation is what Mr Zhirnovsky and his ilk are praying for. Normal economic life, let alone the rapid expansion of a highly efficient new business, would be impossible. Ordinary people on fixed incomes would starve. Traders, speculators and gangsters would make fortunes. The government would be driven to introduce comprehensive price controls. Guesses would be made.

## Troops out, weapons in

Douglas Hurd, the British foreign secretary, visits Bosnia to see for himself the situation of British troops serving there with UN protection. The Bosnians must be, "you are all equally impossible, and we are leaving you to fight it out". On the contrary, the reason for pulling UN troops out should be that it symbolises a neutrality which is not with all official pronouncements on the conflict, and indeed with many UN resolutions, including notably the economic sanctions against Serbia.

Beyond recall

The presence of UN forces has frequently been used as an argument against giving effective military assistance to the Bosnian government, since it has been argued that to do so would endanger the lives of UN troops. Once the troops are out, that argument will have to be dropped. Their removal should be accompanied by a clear statement to the effect that the Serbs and Croats are held responsible for the lack of a peace settlement, and that from now on the UN powers are determined to help the Bosnian government, not to restore the integrity of pre-war Yugoslavia, which is shattered beyond recall, but to gain control of sufficient territory to build a viable Muslim state, either by reconquest or by achieving a stronger negotiating position.

Western powers are clearly unwilling to engage their own ground troops in this combat. But they can, if they choose, ensure that the Bosnian government forces are far better equipped for it than they now are, and they can provide them with devastating support from the air. If they showed willingness to do so they would acquire much greater leverage over the parties. The Bosnian government would have a strong incentive to avoid escalation which might alienate western public opinion, and to listen to Western advice in future negotiations. The Croats would have a strong incentive to return to their alliance with the government, in order to avoid being treated as enemies rather than as allies by the west. And the Serbs would have much more compelling reasons than at present to seek an end to the war through a genuine compromise.

## Achieving little

The force was sent in to ensure the delivery of relief supplies to beleaguered civilian populations. The logic of deploying armed men for this purpose was that without the use of force the supplies would not get through. Since in practice force is not being used, the troops are achieving little that unarmed relief workers could not.

around every block, and traders, politicians, minorities, the government and the president would all bear the blame for the chaos.

Serious reformers lost the battle and may have had the war. Their only hope is to explain, explaining to the Russian people why such expansion will bring not the benefits in output promised by Mr Gerashchenko, but inflation they have been sabotaged in this even by supposed western friends. It has been painful to hear Strobe Talbott and Albert Gore, for example, mouth ignorant criticism of Russia's alleged lack of therapy. Any one who believes that Russia's economy will recover from that, rather than the opposite, knows nothing of what has happened in the past eight years. Little of it is elsewhere.

## Possible collapse

After this week will have to tell the Russian president why it cannot support the government on offer. It will have to tell him its response to a possible collapse of the Russian government. Last but not least, the west must learn from its mistakes.

Maybe, though only maybe, there will be another chance. The west must then have in place an organisation with the skills and the money needed to engage seriously with a reforming government. The purpose of the money would, above all, be to finance the budget without reliance on the printing press.

Since in the west will respond that the money is either unavailable or would make no difference. Both replies are silly. The sums required are a small fraction of the hundreds of billions of dollars spent every year, for decades, on defence against the former Soviet Union. Money would also have shown the Russian people that the west does care that it backs the reformers. In deed, as well as words, and that it wants to alleviate their arduous transition.

The failure of western leaders to engage seriously with Russian reformers on the grounds that it would either be too costly or too difficult was a mistake that may prove a tragedy. Penny wise, but pound foolish, leaders of the west may have committed a mistake comparable to the Vietnam treaty.

W... yesterday's deal announced between the UK drinks giant Guinness and LVMH of France, the world's biggest luxury goods company, Guinness shares jumped 11 per cent. LVMH's fell 3.4 per cent. The deal, which involves swapping shares in the cross-holdings between the two companies, is of authentically Gallic complexity. Peering through the fog, however, the markets evidently reckon Guinness has the better of it.

It seems hard not to agree. For the past 10 years, the two companies have had matching holdings in each other, amounting latterly to 24 per cent apiece. At the outset, this was thought necessary to safeguard the network of joint ventures in wines and spirits the two were building around the globe. Latterly, the arrangement has become a distinct headache, for Guinness in particular.

The trouble is that LVMH has into two distinct halves: the Moët-Hennessy drinks business, which owns a distinguished clutch of champagnes and cognacs, and the luxury goods side consisting of upmarket luggage and perfume. It never made sense for Guinness - a pure drinks company - to tie up cash as a passive shareholder in such a sprawling entity, and out of necessity.

In addition, LVMH's boss, Mr Bernard Arnault, has shown signs lately of being more interested in luxury goods than drinks, and of branching out into other areas such as newspapers. As a result, Guinness chairman Mr Tony Tennant decided yesterday, Guinness shareholders have been getting restless.

"It was clear that the existing arrangement did not make sense to Guinness shareholders," he said. "Guinness and LVMH are quite separate companies, with different strategic agendas. I'm not in any way denigrating perfume and luggage. They're wonderful businesses. They just don't happen to be our long-term agenda."

Guinness is swapping its 24 per cent stake in the whole of LVMH for 24 per cent of Moët-Hennessy plus \$416m in cash. This has several distinct advantages. Under French law, any holding above 33.3 per cent carries certain blocking rights. Guinness will have the right of first refusal to buy LVMH's main drinks brands, such as Moët & Chandon champagne and Hennessy cognac. It will also have two directors on the Moët-Hennessy board.

The proposed arrangement is with an improvement that one company has played a significant role in the rise of the two companies in leading positions in the international drinks market.

That success rests on five essentials: a strong portfolio of brands, especially Scotch whisky and cognac, and an efficient and extensive distribution network.

When Guinness took over drinks Distillers Company in 1986, it acquired a portfolio that included Johnnie Walker, the world's best-selling Scotch, and Gordon's, the leading international gin. It also acquired a fragmented international distribution system. Only a quarter of the network was directly owned; the rest was in the hands of more than 1,300 agents.

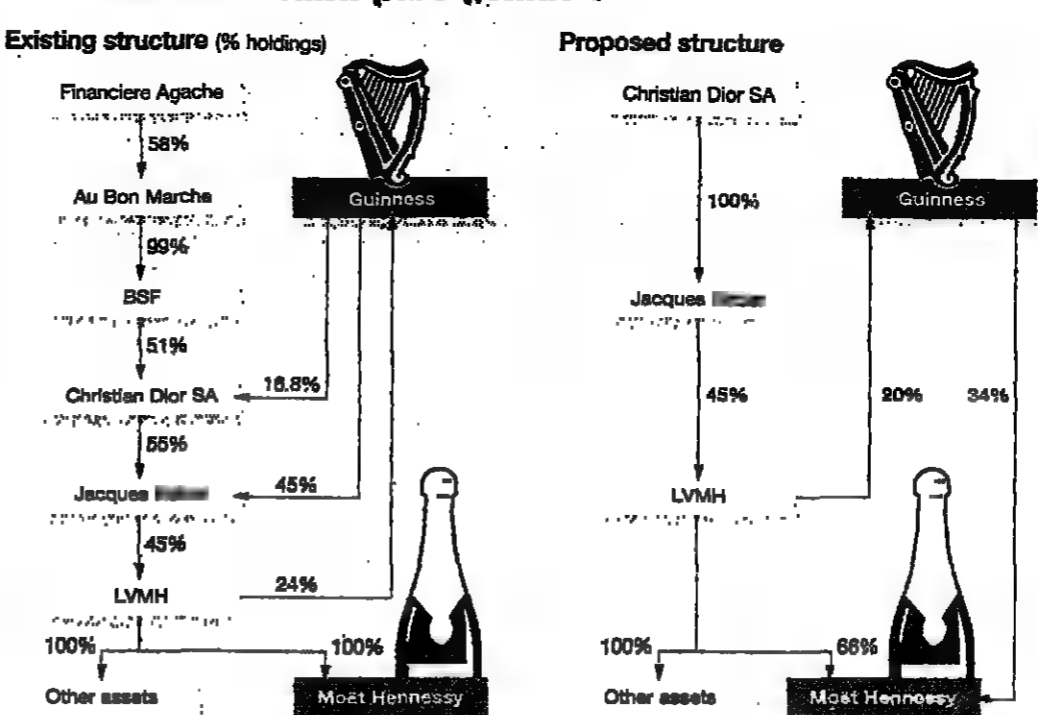
The task facing Sir Anthony Tennant, then the newly-appointed chief executive (now retired), was to transform the brand portfolio into a more coherent one, to improve control of distribution, and to do it quickly if Guinness was to compete with other international drinks groups.

An alliance with LVMH offered a ready solution, and one that had

Tony Jackson and John Ridding unravel the complex deal between Guinness and LVMH

## Heady cocktail with lots of fizz

## Guinness and LVMH: pure genius?



Five years ago LVMH was the product of a merger between Moët-Hennessy and the Louis Vuitton luggage business. Mr Arnault had yet to appear on the scene, and the names of the two halves, Mr Alain Chevalier and Mr Henri Rober, were at each other's throats.

Guinness had already become an important joint venture in drinks with LVMH, and the instability of the structure was plainly alarming.

"Anthony Tennant did the deal which was doable and on the table," Mr Greener said yesterday. "In 1988-89, there was a real danger that LVMH would be broken up. There was a clear possibility that M. Rober would take the luggage side and sell off the wines and spirits. Who knows who might have ended up with them? It might very well have been one of our major competitors. That would have destroyed our joint ventures."

In addition, the Orléans to emerge suddenly as part-owner of brands as famous as quintessentially French as Veuve Clicquot champagne or Fine cognac might

have been a shock to Guinness shareholders. One of the Orléans advisers said yesterday: "I don't know if the ability of a British company to get a shareholding in French brands of this quality is very rare."

Now, by contrast, Guinness has its money in precisely the hands of LVMH which put it, and is backed by the all-important joint ventures still more tightly than before. At the same time, it collects \$11m in cash, reducing its net debt from £1.8bn to £1.4bn and its balance sheet gearing - the ratio of debt to shareholders' funds - from a slightly demanding 100 per cent to 37 per cent.

Whatever Guinness proposes to do with the money, it will not raise its stake in Moët-Hennessy further. Mr Greener said: "We are not trying to achieve control of Moët-Hennessy. It is a French company, with family origins and ongoing family ties, and better suited to being run by its existing management."

Guinness's recent profits record,

Guinness shareholders might be reluctant to hear it. But Mr Greener was sanguine yesterday on that point as well. "We are switching into Moët-Hennessy at an interesting point in the economic cycle worldwide, with the potential of a recovery in cognac sales in Japan and the champagne cycle turning positive."

Across Channel, the picture is much more complex and a good deal less cheerful. As the accompanying diagram shows, Mr Arnault's empire has a typically French "cascading" structure. In 1993, yesterday's deal proposes that LVMH will receive a 20 per cent injection of some £1.3bn, while the parts of the empire further up the cascade will foot the bill.

This works as follows. Guinness owns not LVMH equity, but shares in companies further up. Jacques Rober is holding company formed for the purpose of the original deal and the publicly quoted LVMH will receive a 20 per cent injection of some £1.3bn, while the parts of the empire further up the cascade will foot the bill.

It is so simple as that. But there are early days in a complex process of change. As one London drinks analyst mused yesterday: "We've told you, we would have said LVMH had all the cards. So what are we missing?"

## A successful blend

Philip Rawstone on the benefits of the joint ventures

Benefits for the French company as well as the Guinness. LVMH owned the world's most famous cognac, Hennessy, and leading champagne brands, Moët & Chandon and Veuve Clicquot; and it had a strong distribution network, particularly in the Far East.

The combination of the Guinness and LVMH brands created a more powerful portfolio of drinks and improved the two groups' competitive position at a global level.

Mr Tony Greener, the Guinness chairman and chief executive whom Sir Anthony originally brought from luxury goods group Dunhill in 1981 to manage the spirits business, said: "Both sides are a commonsense way of going forward. From a commercial point of view, they are very good. With carefully-chosen partners, you can achieve all the growth targets that you set for a business without the high costs."

Guinness has since gone on to

strengthen its hand through joint ventures with other drinks companies - Bostari in France and Bundaberg in Australia - and others, such as Heineken in Germany and Pamparo in Venezuela.

But the alliance with LVMH has been gradually built up over the past seven years. It now comprises 17 joint ventures and is the dominant force in trading relationships, contributing 25 per cent of the £765m profits of United Distillers, the spirits business, in 1993.

"With Moët-Hennessy," Mr Greener said, "we have a blend in the importance of brands and brand development. That underpins everything we are doing."

The British whisky and cognac portfolio has proved especially appealing to consumers in Japan and Hong Kong, and in the developing markets of Taiwan, Thailand and Thailand. Late last year a joint venture was established in China, where international sales

currently account for only 1.4 per cent of the spirits market. "This could be a 20m-case annual market in the next century," Mr Greener said.

The alliance is about to set up a joint operation in Korea, another potentially significant market, and is exploring possible moves into other parts of the world.

Yesterday's agreement between the partnership more closely on the future development of their international drinks business. Mr Greener, moved by the deal that he can prevent the Moët-Hennessy brand from falling into a competitor's hands, said: "We can contribute our help, expertise and experience in their strategy and management, as partners with common interests and common goals to build their brands and expand their business." With many world markets hit by recession, the two companies have to seize whatever advantages they can find.

## LVMH itself.

At the same time, Guinness pays LVMH \$902m for its 20 per cent stake in Moët-Hennessy. Also, at some time between now and next summer LVMH has undertaken to sell at least 10 per cent of its Guinness holding, which at yesterday's price would fetch about \$400m more. Thus, LVMH ends up with a massive reduction in net debt - from an estimated FF15bn to FF11bn, according to industry observers.

The money will also come in handy for expanding LVMH's activities in luxury goods, which already include perfume brands such as Givenchy, Louis Vuitton luggage and the various champagne and cognac brands. "There will be opportunities in areas like cosmetics, fashion, luxury goods outlets or leatherware," Mr Arnault said.

But Mr Arnault played down further expansion in the depressed newspaper industry. The acquisition of part of the business dailies La Tribune and L'Agefi had been for a "modest sum" and "had brought good results", said Mr Arnault. A substantial acquisition in the sector, however, such as Le Figaro, owned by Mr Robert Hersant, did not appear to be on the agenda.

More certain is the boost that yesterday's deal gives Mr Arnault in strengthening his grip on his complex web of companies. "Guinness's departure from Jacques Rober means that it is removed as a significant counterweight at the holding company level," Mr Piers Butler of the Court, the broker. Unsurprisingly, Mr Arnault's shareholders are unhappy. The LVMH share price initially fell 7 per cent yesterday. It then recovered half that, doubtless because of Mr Arnault's earnestness that he is not turning into a mere baron, plus the fact that, after all, it is LVMH that gets the cash.

The real loser is Christian Dior, which will pay out FF8.85bn (\$980m) to buy the bulk of the Guinness stake in Jacques Rober. It is quite likely that Dior will have to sell its shareholders for cash to finance this. Dior's share price fell 7.7 per cent yesterday.

Au Bon Marche, which will buy the 24 per cent in Dior held by Guinness, will pay FF1.7bn (\$190m), to be financed by debt. Finally, SEPS, Mr Arnault's non-quoted family company, will buy the remaining 20 per cent in Jacques Rober held by Guinness for FF1.5bn. This all adds up to a shifting of assets around the group, a filling of LVMH's war chest, possible share dilution and bad news for Dior shareholders.

It is so simple as that. But there are early days in a complex process of change. As one London drinks analyst mused yesterday: "We've told you, we would have said LVMH had all the cards. So what are we missing?"



Tony Greener: a belief in brands

## Prod, poll and perch

Chris Patten enjoyed his return to the parliamentary scene yesterday. But the governor of Hong Kong was not alone. He was accompanied by a large number of Hong Kong's political figures, many of whom were disappointed by the lack of enthusiasm from former colleagues for his "let's negotiate" approach to the issue, which has resulted in impasse.

On past performance the governor has been castigated for not going far enough in speeding democracy. Instead, he was asked why defiance was better than settlement with Beijing on the best realistic possible. What would he do if Hong Kong legislators threw out his democracy proposals? Did he really have support from the people?

On this point the man who, as Conservative party chairman, "won" the last election but lost his own seat, was able to exchange knowing smiles about the value of opinion polls. As Tony Blair, the Labour leader, noted, if opinion polls had been taken neither of them would yesterday have been sitting where they were.

## Trotting along

Full on in the week mags are pulling out the week market in advertising agencies. Greenlees

Trott and Young & Rubicam. Fewer ads for suggesting that T&R might gobble up the smaller agency. It's much more likely to be GGT swallowing Y&R's London outpost.

Y&R, the world's biggest privately-owned advertising agency, has been having a bad time recently. In London it has seen its executives come and go in the last decade. The latest shake-up is managing director Tim Lindsay and chief executive Jerry Judge. Mr Lowe Howard-Spink just left the company - has brought matters to a head.

Of course, it would be a loss of face if Y&R were to be gobbled up by GGT. It's still 50-50 whether a deal is struck. If it is, back London to yet another impossible advertising acronym: GGT-YR.

## Boxing clever

Mark Goryachev, a St Petersburg deputy mayor, has been claiming to have hit the jackpot in the hunt for Vladimir Zhirinovskiy in a brawl, planning a more sophisticated, assault.

But the party's new entrepreneurs had true liberals, Goryachev is setting up a rival Liberal Democratic Party that might be more worthy of the LDP handle.

The party's regional branches are apparently a soft target not because of the impracticability of delivering



My mobile phone went off during Romeo and Juliet

December's electoral promises - a husband for every single woman, and a home for the homeless - is - but because their leader has failed to dole out the expected ministerial posts and other sundry benefits.

## Humpty Dumpty

Jacques Attali, head of the European Bank for Reconstruction and Development, has resurfaced in print hitting hard at what he calls the "man hunt" that led to his resignation last spring.

But in a book recently entitled Europe(s) lurks a

promising interview. "Without doubt, I committed errors," he says from fresh insights into the Fall of Attali, the author continues: "I know that [the errors] were more than anyone and will be dealt on them."

## Ageing well

One award was handed at yesterday's annual ceremony of The Observer magazine. It was for the "best proposed book yet to appear in print". The winner was "The Observer" - alongside Sir Richard Heath whose memoirs are in danger of being scooped by the public. The Observer is publishing under the 30 year rule - would be Oldie founding editor Richard Ingrams himself. He has just handed over the editorship to ex-ObsERVER editor Donald Treford so that he can try yet again to complete his long-awaited biography of one-time Punch editor Malcolm Muggeridge. Don't hold your breath.

## Portuguese plot

Anibal Cavaco Silva, the crisp and turned Portuguese prime minister, grudgingly opened a new school of journalism this morning. "Only the newspapers for five minutes in the morning and five minutes in the afternoon. Ninety-five per cent of what is written about me is untrue." Portugal's National Union

Journalists say it's thinking of suing him for defamation. "What would Cavaco Silva do if a newspaper printed a headline proclaiming that he was not what he said he was?" asked Antonio Matos, the union's president.

Cavaco Silva does not lack confidence. His own record says "I have made mistakes." He's not happy with that quote either. "It has been printed a hundred times. But I never said it," he says - allegedly.

## Bulls rush in

Don't let the stories about Sunday Times editor Andrew Neil taking his eye off the ball. Although he has been doing his job for more than a decade he remains very much a hands-on operator judging by a remark he made at a conference on information highways yesterday.

Neil says he made the proofs of the paper's weekly astrology column and checks the predictions for people born under Gemini, his sign, if he doesn't like the look of it. "All Geminis are assured of a good future in the Sunday Times," joked Neil yesterday. "This would be quite amusing, except for the fact that Neil was born on May 21 - thus making him a Taurus, according to some astrological tables. Surely he tamper with everybody's stars?"

## UK backs Owen as Euro MPs call for mediator's removal

By David Gardner in Strasbourg and Kevin Brown and Robert Mautner in London

The British government yesterday sprang to the defence of Lord Owen, the European Union's mediator for former Yugoslavia, after the European Parliament passed an embarrassing motion of no confidence in the former UK foreign secretary.

Mr John Major, the British prime minister - who was not in Strasbourg by a narrow majority of 106 to 102 - declared full support for Lord Owen.

"David Owen has not given himself in the search for a peaceful solution in Bosnia, he has been unremittingly and consistently trying to help bring the

conflict to an end. He enjoys the full support of the British government," Mr Major said.

The position of the European Union's mediator is not directly threatened by the MEPs' vote, but he was unanimously appointed by member governments. But there is little doubt his credibility has been damaged.

British Conservative Labour MEPs backed in a vote of unity to demand the resignation of Lord Owen, who had been in the role since 1992.

MEPs appeared determined to remove Lord Owen's mandate to find a breakthrough in the Bosnian

talks, which were again broken down on Wednesday. The nearly 100 MEPs who voted to remove Lord Owen's mandate were from 12 different countries.

Mr Alain Juppé, French foreign minister, yesterday said he was launching urgent talks with France's European partners, the US and Russia to review the situation after the failure of the meeting in Geneva to agree to a ceasefire in Bosnia.

The French foreign ministry spokesman said withdrawing the United Nations Protection Force (Unprofor) at the end of the winter was a possible option, which is also being considered by the UK government. Mr Douglas Hurd, the foreign secretary, said today he would explore the possibility of a withdrawal of the force, including

a pull-out after the spring. But officials in several western capitals warned that a withdrawal of UN troops would certainly lead to bloodier fighting between the various factions in Bosnia and could trigger a wider conflagration in the Balkans.

It was also argued whether it would make the delivery of international aid to the civilian population easier or more difficult. General Lelander in Lapras, commander of France's rapid reaction force, is being tipped as the most likely successor to General Jean Guillemot, the head of UN Unprofor. Gen Cot ran foul of UN secretary-general Mr Boutros Boutros-Ghali for criticising his refusal to authorise air strikes.

Walk of generals, Page 5

## Republican to head probe of Clinton's financial affairs

By George Graham in Washington

Ms Janet Reno, the US attorney-general, named a Republican lawyer yesterday to head an investigation into President Bill Clinton's financial dealings in Arkansas.

Mr William Fiske, a senior partner in the New York firm of Davis Fisk & Woodwell, will examine Mr Clinton's investments in an Arkansas property venture called Whitewater Development, and his links to Madison Guaranty, a failed savings and loan institution.

The appointment of Mr Fiske has been made public by Mr Clinton, but the perception of an impartial investigation is on Mr Clinton last week denied to a review of Republican complaints and asked for the appointment of a special counsel.

Among the areas Mr Fiske will examine is the possible diversion of depositor's funds from Madison Guaranty to Whitewater, as Mr Clinton's campaign fund for his 1994 election as governor of Arkansas.

Mr Fiske said yesterday that he would also examine any links between Whitewater and the per capita fund last year of Mr Clinton's White House lawyer and old friend of the Clintons who was handling the affair for them.

Mr Fiske was appointed chief federal prosecutor for Manhattan by Republican president Gerald Ford in 1976, but continued to serve under Democratic presidents Jimmy Carter.

He was asked to be deputy attorney-general by President

George Bush, but withdrew after he was criticised by rightwingers in the Senate who feared that, as chairman of an American Bar Association screening committee, he had helped to undermine some of President Ronald Reagan's more conservative choices for the federal bench.

Whitewater appears to arouse much less interest in the US at large than it does in Washington circles. But in a New York Times poll published yesterday, 69 per cent of those questioned on the affair said they thought Mr Clinton was hiding something, even if he was mostly telling the truth.

More than two-thirds said they did not know enough to say whether he or Mrs Clinton did something wrong.

## US freeze kills 96

Continued from Page 1

enough in winter to experience the sort of rainstorm that hit the capital this week, freezing into an inch-deep ice layer.

New Yorkers trudged stoically to work yesterday with few disruptions, while North Dakotans continued to jog despite temperatures at low minus 35°C.

But in Washington everything closed as the city declared its first ever emergency.

Mayor Kelly said: "We wouldn't do it unless we were deeply concerned about the ability of these power companies to provide power in the middle of this frigid weather."

Non-essential businesses faced fines of up to \$1,000 if they opened.

Those who favoured public transit had to contend with unpredictable buses and crowded pavements.

Forecasters expect warmer weather, but the east coast could wait days before temperatures rise above freezing.

## Russia

Continued from Page 1

Mr Anatoly Chubais, the only senior radical reformer left in the government, yesterday charged Mr Gerasimchenko was diametrically opposed to the reform course pursued so far. Mr Fyodorov said the central bank was the top opponent of policies which sought to fight inflation by restricting the growth of money supply and budget expenditure.

Mr Chubais, who took the job as economics minister, said the government would try to "cling to" narrow corridor between hyperinflation and a stop in industrial production."

## Guinness sheds its baggage

FT-SE Index: 3470.0 (-5.1)

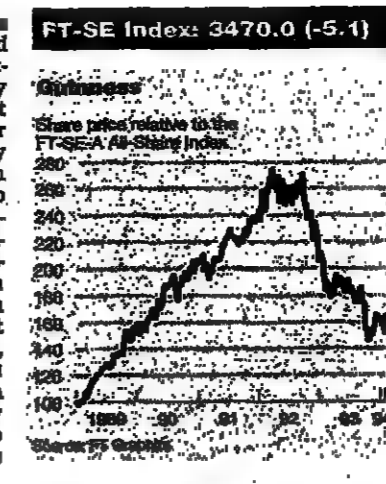
The elegance of the new shareholdings between Guinness and LVMH neatly underlines the shortcomings of the previous structure. By exchanging its indirect 24 per cent holding in LVMH for a direct 34 per cent stake in the Moët Hennessey drinks operation, Guinness swaps an illiquid investment for a tighter grip on the part of a business which interests it. That helps Guinness-Moët joint ventures, which are central to the company's Far Eastern ambitions. The pre-emption rights on Moët shares will also stand it in good stead if Mr Bernard Arnault, who controls LVMH, loses interest in drinks. Meanwhile, the £16m of cash which Guinness will receive usefully cuts the high capital commitment to the cross shareholding and reduces its £1.5bn debt.

Part of the cost of these advantages comes in a 4 per cent dilution in Guinness's earnings. That may dampen enthusiasm, especially given the company's wary view of the year ahead. But it looks a small price for disengagement from Mr Arnault's wider ambitions. Given that LVMH held the upper hand in the relationship before the changes, one must also look to Mr Arnault's motives in agreeing to a deal which suits Guinness quite so well. The cash now lodged in LVMH may be the key, and a large acquisition may not be far away.

Whether Guinness has made the right long term decision turns on the relative prospects for upmarket drinks against luxury branded goods and whatever other ideas Mr Arnault has. In the near term at least, the drinks market will remain sober. The arguments for upmarket booze brands cascading through developing countries also do not look as compelling as they did in the gung-ho 1980s. But that portfolio may well be a more secure franchise than the world of fancy luggage and media ambition.

Life insurance

Yesterday's disappointing sales figures from the Prudential are a downbeat and to the season of new business announcements. Yet gloom has not been spread evenly across the sector. Legal & General announced a healthy rise in new business on Wednesday, continuing its recovery from the dark days of the early 1990s. Black Horse, the business insurance arm of Lloyd's Abbey Life, also fared well. This contrast in fortunes is partly a question of timing. While L&G was weeding its



UK sales force two years ago, the Pru is only now restructuring.

The slide in sales at Jackson National, the Prudential's US subsidiary, is less easily explained away. If Jackson has been slow to match inducements offered to savers by its rivals, the revamped products promised yesterday might reverse the downward trend. But since low interest rates make Jackson's bond-based annuities look less attractive, a more radical overhaul of the product range may be required.

Savers in the UK will remain reluctant to enter into annual premium contracts while recession lingers. The mis-selling of personal pensions uncovered last year is likely to make them wary in this area too. Full disclosure of commissions from next year will make the true costs of buying life insurance clear. Having underperformed the market by 15 per cent since commission disclosure was announced last summer, the sector has everything to prove.

Kingfisher

The creed of everyday low pricing has been preached at length by Sir Geoff Mulcahy, Kingfisher's chairman, over the past couple of years. Yet judging by the company's Christmas trading performance, that particular road to salvation is narrow and rocky. Marks and Spencer is clearly making a success of cutting margins to gain market share and increase overall profits. Kingfisher is making heavier weather of the exercise.

Those companies which have applied the formula in the US have not just relied on price. They usually have

a very strong market position, a reputation for service, modern retail information systems networks and high-tech distribution networks. M&S fits this bill nicely, but Kingfisher's chains lag in several important respects. In B&Q, there are some signs that everyday low pricing is working. But Comet struggles behind Dixons and arguably the service element is lacking in both chains. Boots dominates Superdrug's market to the extent that it is well placed to turn the screw of lower margins against Superdrug. Woolworth is only now getting the electronic point-of-sale equipment it needs.

In part, that may be a matter of timing, since Kingfisher has hired Mr Alan Smith from M&S to provide many of these skills. Kingfisher equally argues that it has to start somewhere. Shareholders may find, however, that the profits of the strategy are still some way off.

## Spring Ram

Cycles who shareholder much more than a few at Spring Ram Corporation. Those shareholders, led by the Prudential, which butted out the tottering buildings material company's previous management must certainly be gratified by its return to respectability. The new management has done a good job in rationalising 3m sq ft of manufacturing space and imposing stricter financial controls. Yesterday's 242m rights issue will further aid the revival, plugging the holes created by its £27m annual loss and providing the flexibility for expansion. The promise of bolt-on acquisitions certainly strikes a confident tone so early in the recovery programme.

The market's reaction in pushing the shares up 13 per cent highlights the hunger for recovery stocks, particularly in the favoured building materials sector. But it takes an enormous amount on trust. Cautious shareholders would have preferred to read the fine print of the annual accounts before investing fresh funds. Putting the spring back into the company could also prove a trickier task than the market seems to expect. Kitchen sales are doing well but there remain big debts in the bath business. Some nasty surprises could also emerge at Regency Doors, still suffering from its "appalling inheritance". At least Spring Ram now has a stronger balance sheet against which to write off the business should the worst occur.

## Japanese coalition urges MPs to back it on reform vote

By William Hamilton in Tokyo

Japan's coalition government urged dissenting members yesterday to close ranks to improve its shaky balance of power in winning a parliamentary vote today on plans to overhaul the political electoral system.

The vote, in the lower chamber, is the climax of a five-year national debate on how to purge corruption from politics and create a more widely representative parliament.

Mr Morihiro Hosokawa, prime minister, said the outcome of the vote depends on an unpredictable handful of his seven-party coalition. A 175-seat majority in the lower house, 100 seats

defections are expected from both sides of the chamber. Japan's previous two prime ministers fell because of failure to achieve a majority.

But the coalition and the opposition Liberal Democratic party have found it increasingly hard to enforce party discipline as the final vote nears.

The splits are deep, because the proposed electoral system threatens to deprive many members of parliament of a seat in the general election. Polls indicate that most of the seats would come from Japan's two main traditional parties, the LDP and the Social Democratic party, the coalition's biggest partner. A parliamentary showdown is

departure from the normal way of making important decisions by consensus behind the scenes - became inevitable after the failure of compromise talks on Wednesday night between the coalition and the LDP.

That prompted the coalition to return to the assembly yesterday morning and force a vote on the four reform bills in the upper house's political reform committee, the final step before going to the full house for approval.

It was the coalition's narrow victory, by 18 votes to 16, helped by the defection of LDP members Mr Tomochika Hoshino to the government's side. Mr Hoshino's decision to join the growing queue of LDP members took the party by surprise.

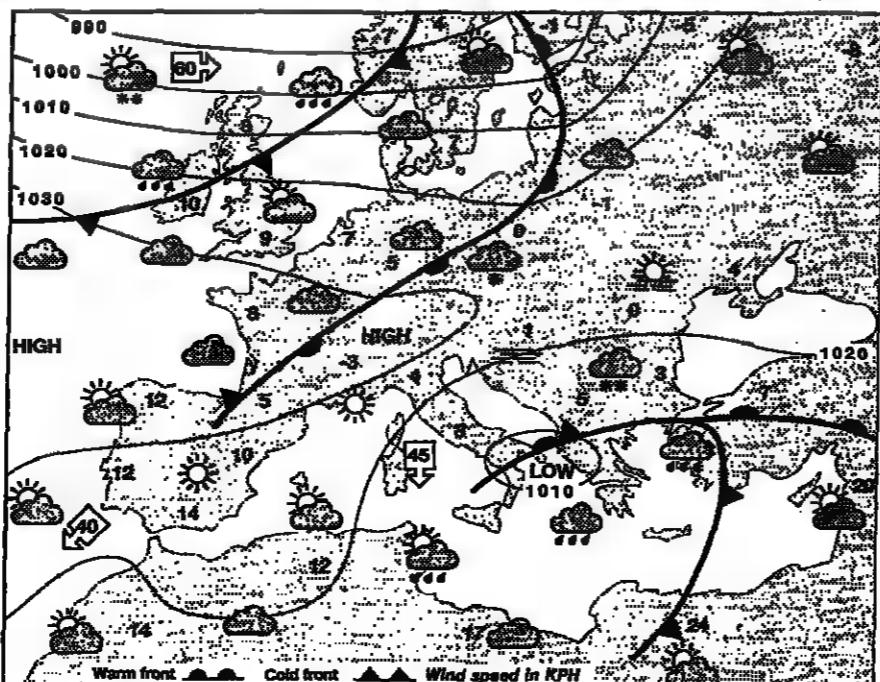
## FT WEATHER GUIDE

### Europe today

Low pressure over the Arctic Ocean will draw milder air towards the west. There will be cloudy with outbreaks of rain, especially along the Norwegian coast. However, there will be snow in Lapland and northern Finland where temperatures will remain below freezing. The Benelux and north-west France will be cloudy but dry. High pressure over France and the Alps will keep eastern France, southern Germany, the Alps and the northern Balkans cold with fog patches. Sunshine will be plentiful near the south coast. France and in the southern Alps, it will be changeable in southern Italy, the southern Balkans, Greece and north-western Turkey where heavy rain will occur with thunder showers and snow.

### Five-day forecast

The North Sea area will be changeable with plenty of wind and rain, especially on Sunday. Scandinavia will be unsettled with wintry showers and periods of strong winds. South-western and central Europe will have tranquil and milder conditions. Low pressure over northern Africa will influence southern Italy with rain and thunder showers on Monday.



### TODAY'S TEMPERATURES

	Maximum	Minimum		Maximum	Minimum		Maximum	Minimum		Maximum	Minimum
Abu Dhabi	sun	23	Belfast	rain	9	Cardiff	rain	9	Frankfurt	fair	6
Azores	sun	23	Birmingham	rain	10	Cheltenham	rain	10	Glasgow	fair	10
Bahia	sun	23	Bombay	cloudy	30	Dublin	rain	10	Hamburg	cloudy	7
Bangkok	sun	23	Buenos Aires	cloudy	19	Edinburgh	rain	10	Heidelberg	cloudy	7
Bombay	sun	23	Calcutta	cloudy	30	Geneva	rain	10	Kobe	cloudy	7
Buenos Aires	cloudy	19	Cairo	cloudy	27	Hong Kong	sun	21	London	cloudy	7
Calcutta	cloudy	30	Dakar	cloudy	27	Kuala Lumpur	sun	24	Lyons	cloudy	7
Cairo	cloudy	27	Dhaka	cloudy	27	Manila	sun	24	Madrid	cloudy	7
Dakar	cloudy	27	Delhi	cloudy	27	Medan	sun	24	Moscow	cloudy	7
Dhaka	cloudy	27	Detroit	cloudy	27	Montreal	cloudy	7	Nairobi	cloudy	7
Detroit	cloudy	27	Guangzhou	cloudy	27	Mumbai	cloudy	7	Rangoon	cloudy	7
Edinburgh	rain	10	Hankow	cloudy	27	Osaka	cloudy	7	Shanghai	cloudy	7
Geneva	rain	10	Hong Kong	sun	21	Perth	cloudy	7	Singapore	cloudy	7
Hamburg	cloudy	7	Kuala Lumpur	sun	24	Port of Spain	cloudy	7	Sydney	cloudy	7
Heidelberg	cloudy	7	Manila	sun	24	San Francisco	cloudy	7	Taipei	cloudy	7
Kobe	cloudy	7	Medan	sun	24	Seattle	cloudy	7	Tokyo	cloudy	7
Kuala Lumpur	sun	24	Montreal	cloudy	7	Shanghai	cloudy	7	Toronto	cloudy	7
London	cloudy	7	Mumbai	cloudy	7	Singapore	cloudy	7	Ulaanbaatar	cloudy	7
Lyons	cloudy	7	Osaka	cloudy	7	Sydney	cloudy	7	Vancouver	cloudy	7
Madrid	cloudy	7	Perth	cloudy	7	Taipei	cloudy	7	Wellington	cloudy	7
Manila	sun	24	Port of Spain	cloudy	7	Tokyo	cloudy	7	Zurich	cloudy	7
Medan	sun	24	San Francisco	cloudy	7	Toronto	cloudy	7			
Montreal	cloudy	7	Seattle	cloudy	7	Ulaanbaatar	cloudy	7			
Mumbai	cloudy	7	Shanghai	cloudy	7	Vancouver	cloudy	7			
Osaka	cloudy	7	Singapore	cloudy	7	Wellington	cloudy	7			
Perth	cloudy	7	Sydney	cloudy	7	Zurich	cloudy	7			
Port of Spain	cloudy	7	Taipei	cloudy	7						
San Francisco	cloudy	7	Tokyo	cloudy	7						
Seattle	cloudy	7	Toronto	cloudy	7						
Shanghai	cloudy	7	Ulaanbaatar	cloudy	7						
Singapore	cloudy	7	Vancouver	cloudy	7						
Sydney	cloudy	7	Wellington	cloudy	7						
Taipei	cloudy	7	Zurich	cloudy	7						
Tokyo	cloudy	7									
Toronto	cloudy	7									
Ulaanbaatar	cloudy	7									
Vancouver	cloudy	7									
Wellington	cloudy	7									
Zurich	cloudy	7									

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## INTERNATIONAL COMPANIES AND FINANCE

## Petrogal holders threaten pull-out

By Peter Wise in Lisbon

Petrogal shareholders who own 25 per cent of Petrogal, Portugal's partially privatised oil company, are threatening to pull out of the company if the government they may withdraw from the company fails to purchase a further 26 per cent of the equity.

The private group, dominated by Total, the French oil company, purchased a 25 per cent stake in Petrogal in the first stage of the company's privatisation in 1987. The terms of the sale obligate the group to buy a further 26

per cent by July 1994 for an estimated \$1.5bn (£1.1bn). The private shareholders, grouped together in the holding company Petrocontrol, have been trying to negotiate a deal with the Portuguese Ministry of Finance to purchase the remaining 26 per cent of the company by the deadline.

Petrocontrol has indicated that it is prepared to pull out of Petrogal if an agreement cannot be reached. A withdrawal is likely to lead to the purchase of the stake by other private investors.

divided Petrogal into Portuguese institutional and individual investors. Portuguese law prohibits foreign investors from holding directly in Petrogal, a majority of the privately-owned capital of Petrogal.

According to the terms of Petrogal's privatisation, if Petrocontrol fails to purchase an additional 26 per cent of the company by the deadline, it will be required to sell 6 per cent of the holding and have the option of selling the remaining 19 per cent back to the state at the original price. Mr. Luis Amaral, minister for the industry and energy, reportedly intends to purchase

the additional 26 per cent before he will agree to a badly-needed capital increase for Petrogal. Revenue from policy sales for Petrogal's 20 leading insurance companies increased 22.7 per cent in 1993, compared with the previous year, to \$2.5bn (£2.5bn), according to the Portuguese Association of Life Insurance Policy Sales, the fastest-growing sector, rose by 38.5 per cent to \$1.3bn (£1.3bn). Sales in the automotive sector rose by 15.3 per cent to \$1.1bn (£1.1bn). The company ranking, with policy sales worth \$500m.

## Austrian electricity group pegs dividend

By Patrick Shan in Vienna

Oesterreichische Elektrizitätswirtschafts (Verbund), the partially privatised Austrian electricity group, has reported improved provisional pre-tax profits for 1993 in a small decline in electricity sales. The dividend will remain at 16 per cent.

Pre-tax profits for 1993 are expected to rise to \$1.3bn (£1.3bn) on electricity sales of \$1.1bn (£1.1bn), compared with sales of \$1.07bn and a pre-tax profit of \$1.1bn in 1992. Group investment almost doubled last year to \$1.1bn.

Mr. Johann Haidner, Verbund's chief executive, said the dividend would have to remain at 16 per cent because the company had to make extra provisions totalling \$1.1bn.

These were to cover the cost of dismantling the nuclear power plant and to pay for stocks for a large coal-fired plant. The Zwentendorf plant was completed in 1978 but was never used after a referendum the same year came out against nuclear power.

Mr. Haidner warned that earnings could be cut by about half this year unless the government approves a 6 per cent increase in electricity prices. Verbund was 49 per cent privatised in 1993 but there are no plans for any further privatisation at the moment.

## MGN pursues holding in The Independent publisher

By Raymond Snoddy in London

Detailed negotiations are under way between Mirror Group Newspapers and Mr. Whitman-Smith, principal founder of The Independent and The Independent on Sunday.

Mr. David Montgomery, chief executive of MGN, is clearly interested in taking a significant minority stake in Newspaper Publishing, which publishes The Independent, but no agreement has been reached on how large the stake should be, or on the precise terms.

Although the popular newspaper group has developed a good working relationship with El Pais and La Repubblica, the main shareholders in Newspaper Publishing, it is unlikely

that a formal consortium can be put together before next week.

MGN, whose share price has risen and yesterday closed at 189p, is looking for a long-term relationship with a trade investor.

For MGN, which does not want to get directly involved in running the broadsheet title, a condition of a deal would be that Mr. Whitman-Smith, who is seen to represent both the spirit and philosophy of the paper, should remain as editor-in-chief.

Newspaper publishing had pre-tax losses of around \$100m (£100m) in 1993, a fall of \$10m in the year to September, although losses are rising because of promotional spending.

This year, losses are heading

for \$2m, according to some estimates, and a cash injection of at least \$15m.

It is being suggested that if the consortium did put a deal together, it would amount to a concert party bid and might be made for the entire company.

Meanwhile, Mr. Tony O'Reilly, chief executive of Helix and chairman of Independent Newspapers in Ireland, is still seriously interested in a large minority stake.

An indicative offer has been received by Mr. Ian Hay Davison, the Newspaper Publishing chairman, from Mr. O'Reilly. The preliminary offer is in the region of \$100m for 10 per cent of the company.

## Banco Bilbao ahead of forecasts

By Tom Burns in Madrid

Banco Bilbao Vizcaya, the Spanish bank at the head of the group of the rival Banco de España, yesterday reported a 22 per cent rise in profits for 1993 to \$1.1bn (£804m).

During the previous 12 months profits fell nearly 10 per cent, leading the company to claim yesterday it had consolidated a healthy new outlook.

The results were ahead of forecasts. The bank suggested the group would return to profitability in 1994, after a year of expected penalties BBV, which has a short-term loan portfolio in the US, had to pay on the balance sheet.

BBV equity in companies that the bank will be banking group contributed to holding down the net income figure. BBV disclosed a 22 per cent rise in operating profit to \$1.1bn.

The bank's capital base topped \$1.1bn at the end of 1993, a 12 per cent rise on the year. BBV has lent scores of senior and middle-ranking executives to the bank following the acquisition of the bank's three main banks.

## Sphinx to acquire Swedish group

By Ronald van de Krol in Amsterdam

Sphinx, the Dutch manufacturer of sanitary fittings and bathroom furniture, has agreed to acquire Gustavberg, a Swedish manufacturer of sanitary and kitchenware, in a move that will double the Dutch company's sales and increase its product range.

After the acquisition, which Sphinx described yesterday as a merger because the two companies plan to act as partners, the new group will have turnover of around \$1.1bn.

## Head of Philips lighting business to resign post

By Ronald van de Krol

Philips, the Dutch electronics giant, said yesterday its head of the lighting business, traditionally one of the company's most profitable areas, is to resign this year.

Mr. H. J. van der Meulen, a member of the Norwegian shipping family, has worked for Philips since the early 1970s. He plans to give up his job for personal reasons, the company said.

A successor has not yet been found. Philips declined to comment on a press report that Mr. Klosser, 56, was resigning because he had not been appointed to Philips' vice-president position.

## Greek building group in Dr9.2bn rights issue

By Karin Hope in Athens

Michaniki, the Greek construction company, is to raise \$1.1bn (£804m) through a two-for-10 rights issue to finance its participation in several build-operate-transfer projects being launched in Greece.

Michaniki's capital increase follows the flotation of five Greek construction companies on the Athens Stock Exchange, which were all heavily overvalued.

The construction sector is looking forward to increased opportunities as Greece starts to draw down \$1.1bn in European Union funding for infrastructure projects this year.

Michaniki is to start work

shortly on Greece's first BOT project, a Dr9.2bn underground shopping mall and multi-level car park in central Athens, on a site being rented from the municipal authorities. The company will operate the car park for 30 years.

The issue is being made at Dr12,000 per share for common shares and Dr9,000 per share for preferred shares. A total of 888,940 new shares are being issued, half of them preferential, amounting to a 14 per cent capital increase.

The company said that pre-tax profits for 1993 reached Dr2.7bn on turnover of Dr11.5bn. For the current year, earnings are forecast at over Dr3bn on turnover approaching Dr20bn.

## BOC chairman to retire early

By Daniel Green in London

Mr. Patrick Rich is to retire early as chairman of BOC, the UK-based industrial gases group. He blamed health problems arising from "the stresses and burdens of office" for his decision, which takes effect in April.

The announcement came less than two months after Mr. Rich gave up the job of chief executive. BOC said yesterday that Mr. Rich's health had been an issue in that decision too.

## Nestlé turnover improves 5%

By Ian Rodger in Zurich

Nestlé, the packaged foods and mineral waters group, has reported a 5.4 per cent rise in 1993 sales to \$1.1bn (£804m), in spite of recessionary conditions and currency devaluations in many of its main European markets.

The group said that sales volume, excluding the effect of acquisitions, grew only 1.7 per cent last year, compared with 3.3 per cent in 1992. However, volume grew strongly in Asia and in North and South America.

Among product groups, drinks, milk products and pharmaceuticals had good volume growth.

On 1993 profits, Nestlé said only that it expected an increase over the 1992 net income of \$1.1bn. Mr. Helmut Mauch, Nestlé's chairman, said profit was roughly the same as sales.

It anticipated further increases in sales and profits in the current year unless the European recession deepened or exchange rates took a very

unfavourable turn against the Swiss franc.

Oerlikon-Bührle, the Swiss machine tool and retailing group, said its 1993 sales dropped 10 per cent to just under \$1.1bn, mainly because of the completion of large military contracts.

Operating income was "dramatically lower" than last year's, but net income was expected to be better than last year's \$1.1bn because of financial and extraordinary gains. The dividend could be paid in cash or accumulated

## Sandoz sees income rise of 10%

By Ian Rodger

Sandoz, the Basel-based pharmaceutical and chemical group, said its consolidated sales last year grew 5 per cent to \$1.1bn (£804m), and it expected to report a "marked" increase in net income of more than 10 per cent over 1992's \$1.1bn.

Weak trends in industrial chemicals were more than offset by the continuing strength of pharmaceutical sales. Fourth-quarter sales of the pharmaceutical division, which accounts for nearly half of

total group sales, were up a brisk 10 per cent to \$1.1bn.

Sales of Sandimmune, used to combat rejection of transplanted organs, were up 15 per cent, while those of Cytarabine, a drug used for schizophrenia, soared 80 per cent.

In the full year, pharmaceutical sales were up 7 per cent to \$1.1bn. Chemical sales were flat in the fourth quarter at \$1.1bn, but up 2 per cent in the full year to \$1.1bn. Sandoz said the performance was above the industry average due in part to

increases in textile dyestuffs sales in the US, Brazil and parts of Asia.

Agro-chemical sales dropped 7 per cent in the fourth quarter to \$1.1bn because of a delayed start to the 1993-1994 season, but were up 7 per cent in the full year to \$1.1bn, thanks to new environmentally friendly herbicides and fungicides.

Sales of the pharmaceutical and chemical divisions jumped 12 per cent to \$1.1bn in the full year, with sales in the US and the Far East.

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January 1994

**Kommuninvest Sverige AB**  
U.S. \$100,000,000  
Guaranteed Floating Rate Notes due 1996

The interest rate on 20th January 1994 to 20th April 1994 the Notes will carry a Rate of Interest of 3.4375% per annum, the Interest Amount payable per U.S. \$5,000 Note will be U.S. \$41.97, and for the U.S. \$100,000 Note will be U.S. \$839.38, payable on 20th April, 1994.

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FF 1,520,000,000  
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Convertible into ordinary shares of the company

In accordance with the paragraph Redemption of the Terms and Conditions of the Bonds, notice is hereby given that Lafarge Coppée will redeem on February 21, 1994, the total amount remaining outstanding of the above-mentioned Bonds at 103% of their principal, together with interest (i.e. FF 83.37 per denomination of FF 10,000 from January 2, 1994 to the date of redemption).

Bonds may be converted into ordinary shares of Lafarge Coppée up to and before the close of business in France on the date which is three months after February 21, 1994, in accordance with paragraph Conversion of the Terms and Conditions of the Bonds.

Payment in principal, premium and interest will be made in accordance with the Terms and Conditions of the Bonds, Bonds must have coupons due on January 2, 1995 and following attached.

Interest will cease to accrue on the Bonds as from February 21, 1994.

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**DIVIDEND ANNOUNCEMENT**

The Board of Directors announces that a dividend has been declared on the Haven Portfolio at the rate of 1.10p per share which will be paid on 11th February 1994 to the respective Shareholders of record of that portfolio as at the close of business on 31st December 1993.

The Board of Directors,  
31st December 1993

**£200,000,000  
MFC Finance No. 1 PLC  
NOTICE OF REDEMPTION**

Series 'A' to 'F' Mortgage Backed Floating Rate Notes Due October 2023

Notice is hereby given, that in accordance with Conditions 5(a) of the Prospectus dated 13th October 1993, the issuer intends to redeem the Series 'A' to 'F' Mortgage Backed Floating Rate Notes on the respective February 1994 interest payment dates.

The Citibank, N.A. Branch Services  
January 21, 1994, London

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Non audited consolidated sales	1993	1992
(in million FF)	1,225.5	1,115.5
Tonnage sold (in thousand tonnes)	359.3	359.3

In the main European countries, the Group maintained its volume positions despite a general reduction in consumption. The slide in selling prices changed in the last quarter of 1993.

**Renewal of activity as of 1994**

The Group has recently announced price increases from 11 to 15% will gradually increase in all its product categories as of January 1994.

The Group has a change in trend already occurred in Europe and worldwide for pulp and fine papers. The renewal of activity as the demand is also rising.

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## INTERNATIONAL CAPITAL MARKETS

## Europeans disappointed as Bundesbank leaves rates unchanged

By Sara Webb in London and Frank McGurty in New York

The Bundesbank left its discount and Lombard interest rates unchanged at yesterday's council meeting, disappointing European government bond markets, most of which ended lower on the day.

However, the Riksbank announced a long-awaited quarter-point reduction in the marginal rate, from 7.50 per cent to 7.25 per cent, prompting some profit-taking in the government bond market.

The reduction followed the release of favourable inflation figures - the consumer price index dropped to an annual rate of 4.1 per cent in December from 4.3 per cent in November.

and was aided by the strength of the Swedish krona.

The Swedish bond market has enjoyed a fairly strong rally over the last few weeks, helped by expectations of a lower budget deficit, but yields rose quite sharply yesterday on profit-taking, dealers said.

Three-year yields climbed 17 basis points to 6.10 per cent, while nine-year yields rose 6 basis points to 6.40 per cent.

The Bundesbank's decision to leave interest rates unchanged - with the discount rate at 5.00 per cent and the Lombard at 6.00 per cent - pushed prices down by about a quarter of a point.

"In theory it should have

been good news for the long end of the bond market, as it would compensate for the liquidity effects of the reserve reduction by a reduction in the amount of money available through securities repurchase agreements - a qualification which dampened the bond market's enthusiasm.

Hopes of an imminent cut in UK interest rates received a further setback, causing UK government bond market to lose its momentum and short-dated gilts to close lower on the day.

The market opened on a firm note, continuing the previous day's strong rally in the long end, but the latest retail inflation figures, however, expectations of a rate cut were dampened by

comments from the chancellor of the exchequer and moves by the Bank of England yesterday.

Mr Kenneth Clarke, the chancellor, said the recovery in the UK economy was strong enough to withstand the tax rises which will be implemented in April. He also stressed the importance of preserving a steady recovery and keeping inflation down.

Meanwhile, the Bank of England sent a clear signal aimed at calming rate cut speculation in its money market operations. Short-dated gilts slipped on the day, but long-dated gilts remained firm on the good inflation background.

Japanese government bonds rallied in the wake of recent

losses, but the main 10-year bond, the benchmark 10-year No. 157 bond, rather than in the other maturities, according to dealers.

The rally was sparked by rumours that the Bank of Japan would conduct a regular bond buy-back operations more frequently, said in recent months, the Bank of Japan has bought about ¥80bn-¥100bn of bonds once a month.

US Treasuries gained ground yesterday as the maturity of the Treasury's new Treasury Inflation Protected Securities (TIPS) was reported after the Philadelphia Federal Reserve reported that economic activity in the region was moderating.

In the middle, the benchmark

20-year government bond was higher at 9.25, with the yield slipping to 6.21 per cent.

At the short end, the two-year note was ahead at 10.01, yielding 4.06 per cent.

The advance, the market weathered a short-lived bout of selling after the announcement that housing starts had climbed 0.1 per cent last month, to an annualised rate of 1.5m units, well ahead of a 1.2m forecast.

However, jitters over the pace of economic expansion were quelled later in the morning when the Philadelphia Fed reported that its January index of business activity had fallen 0.4, compared with 0.4 the previous month.

## \$100m issue from Indian transport company

By Sara Webb

Great Eastern Shipping, an Indian transport group, has raised \$100m through a fully underwritten equity issue.

## INTERNATIONAL EQUITIES

Jardine Fleming and Capel (part of the Investment Banking group), joint lead managers, bought the shares and then placed the shares with international investors.

The steady stream of Indian equity issues is expected to continue, investment bankers said, with several names already lined up to tap the international capital markets.

This week, Gulf Fertilisers and Chemicals, a private sector company, raised \$100m with an offering of global depositary receipts. The GDRs were priced at \$21.50 Monday and traded at \$21.50 yesterday according to BZW, the lead manager.

Investment bankers point out that several Indian issues have frequently attracted \$1.5bn in demand in the building process, reflecting strong investor appetite.

Kleinwort Benson is currently holding discussions for Indian Rayon, a rayon, cement and carbon black producer, which is hoping to raise \$100m with its GDR offering.

Sanchar Nigam, the state-controlled national telecommunications network, is expected to launch a large international equity offering this spring. Investment bankers expect the offering to raise more than \$200m. Salomon Brothers and Kleinwort Benson are global co-ordinators.

## EIB dominates activity on quiet day

By Conner Middlemann

A 10-year sterling bond for the European Investment Bank, two Swedish krona issues and a continued period of floating-rate activity dominated a quieter day in the Eurobond market.

The EIB issued \$400m of 10-year bonds at 10.00, priced to yield the same as the 10-year US Treasury note. While the pricing was the same, the deal met good demand from investors, especially in Asia, and a syndicate led by lead manager, Merrill Lynch.

"It is tightly priced if you look at it in isolation, but when you consider that our 6 per cent bonds have been launched on a quiet point over gilts and have traded as much as 100 basis points through the day, it looks like a good deal," said a Merrill Lynch analyst.

That half a dozen banks had aggressively

the mandate to a yield spread of between zero and two basis points over gilts, "we have seen that there would be sufficient demand to drive the issue," he said.

Much of the activity was for the EIB's 10-year bonds, which they are

## INTERNATIONAL BONDS

likely for foreigners to trade than gilts.

In the Eurodollar sector, Mexico's Banco Nacional de Comercio Exterior (Bancomer) launched \$1bn of 10-year bonds, which the Mexican global bond market is expected to

lead Merrill Lynch and Goldman Sachs in a spread of 100 basis points over Treasuries, the tightest for any Latin American issue in the market. The issue will be priced today.

Yield-hungry investors were able to stock up on fresh supply in the Scandinavian sector, where two more Swedish krona

offerings earlier this week. The Swedish Export Credit and GECC.

The French financing agency Cofinergie launched \$1.5bn of five-year bonds, priced at a spread of 20 basis points over the 5-year benchmark, reflecting the lower rating. The lead manager was Morgan Stanley.

"The two issues were at opposite ends of the credit spectrum, so there wasn't too much overlap," said a Morgan Stanley analyst.

The Nordic Investment Bank is set to issue \$1.5bn of global five-year bonds soon via Merrill Lynch.

Swedish bonds' substantial yield pick-up over core Eurozone markets and hopes for further currency appreciation amid continued rate cuts in the Swedish central bank yesterday lowered the marginal yield by 1/2 point - a move spurring investor interest in Swedish bonds, dealers said.

The Kingdom of Sweden issued \$1.5bn of five-year bonds via Banco Portugal's investment. Sweden's second sovereign issue has tapped the eurozone after Ireland's €1.5bn issue last October. The proceeds of the issue were swapped into floating-rate D-Marks, according to the lead manager.

Another raft of so-called prior floating-rate notes with maturities of one and two years was issued yesterday, including borrowers such as General Electric, Export Credit and the Commonwealth Bank of Australia.

The province of Ontario is planning to launch its first global Canadian dollar bond issue and its global US dollar floating-rate note in the near future, Reuters reports. The transactions will

## NEW INTERNATIONAL BOND ISSUES

Borrower	Amount	Price	Maturity	Yield	Lead manager
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase
US Treasury	100	100.00	10/2001	2.50	JP Morgan Chase

Ontario's remaining \$800m public borrowing requirements for the year ending March 31 will be provided by the province's

The Canadian dollar global transaction will be jointly led by Goldman Sachs, Nesbitt Thomson, ScotiaMcLeod and

Lehman Brothers and Merrill Lynch.

## WORLD BOND PRICES

## BENCHMARK GOVERNMENT BONDS

Coupon	Rate	Price	Yield	Week	Month
Australia	8.50	100.7400	-0.370	6.35	6.54
Belgium	7.2500	104.0400	-0.340	6.27	6.53
Canada	7.0000	107.7500	-0.480	6.42	6.43
Denmark	8.0000	108.0000	-0.320	6.57	6.53
France	8.0000	111.0000	-0.200	6.55	6.54
Germany	8.5000	107.8700	-0.390	6.58	6.57
Italy	8.5000	102.4200	-0.390	6.58	6.57
Japan	4.0000	106.8700	-0.280	6.71	6.44
Netherlands	4.5000	107.8900	-0.320	6.40	6.38
Spain	8.0000	102.0000	-0.320	6.42	6.47
UK	10.0000	117.4000	-0.330	7.38	7.39
US	8.7500	114.1100	-0.420	6.55	6.51
US Treasury	8.7500	114.0400	-0.420	6.55	6.51
US Treasury	8.7500	114.0400	-0.420	6.55	6.51
US Treasury	8.7500	114.0400	-0.420	6.55	6.51
US Treasury	8.7500	114.0400	-0.420	6.55	6.51

## BOND FUTURES AND OPTIONS

## FRANCE

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	131.12	-0.04	131.28	130.96	141,853	
Jun	130.82	-0.04	130.98	130.60	11,337	
Sep	129.74	-0.02	129.74	129.74	2,140	

## GERMANY

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	100.62	-0.02	100.64	100.60	810	2871
Jun	100.35	-0.02	100.37	100.33		
Sep	100.02	-0.02	100.04	100.00		

## UK

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	111.12	-0.03	111.15	111.09	203	
Jun	110.14	-0.03	110.13	110.14		
Sep	109.14	-0.03	109.13	109.14		

## UK GILTS PRICES

Rate	Yield	Price	Yield	Price	Yield
10/2001	6.17	112.11	6.17	112.11	6.17
10/2002	6.31	112.11	6.31	112.11	6.31
10/2003	6.45	112.11	6.45	112.11	6.45
10/2004	6.59	112.11	6.59	112.11	6.59
10/2005	6.73	112.11	6.73	112.11	6.73

## ITALY

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	110.44	-0.02	110.46	110.42	41,511	24,794
Jun	110.14	-0.02	110.13	110.14		
Sep	109.14	-0.02	109.13	109.14		

## SPAIN

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	106.44	-0.03	106.47	106.40	41,511	24,794
Jun	106.14	-0.03	106.13	106.14		
Sep	105.14	-0.03	105.13	105.14		

## UK

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	111.12	-0.03	111.15	111.09	203	
Jun	110.14	-0.03	110.13	110.14		
Sep	109.14	-0.03	109.13	109.14		

## GERMANY

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	100.62	-0.02	100.64	100.60	810	2871
Jun	100.35	-0.02	100.37	100.33		
Sep	100.02	-0.02	100.04	100.00		

## UK

Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	111.12	-0.03	111.15	111.09	203	
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## FT-ACTUARIES FIXED INTEREST INDICES

Price indices	Jan 94	Jan 93	Jan 92	Jan 91	Jan 90	Jan 89	Jan 88	Jan 87	Jan 86	Jan 85	Jan 84	Jan 83	Jan 82	Jan 81	Jan 80	Jan 79	Jan 78	Jan 77	Jan 76	Jan 75	Jan 74	Jan 73	Jan 72	Jan 71	Jan 70	Jan 69	Jan 68	Jan 67	Jan 66	Jan 65	Jan 64	Jan 63	Jan 62	Jan 61	Jan 60	Jan 59	Jan 58	Jan 57	Jan 56	Jan 55	Jan 54	Jan 53	Jan 52	Jan 51	Jan 50	Jan 49	Jan 48	Jan 47	Jan 46	Jan 45	Jan 44	Jan 43	Jan 42	Jan 41	Jan 40	Jan 39	Jan 38	Jan 37	Jan 36	Jan 35	Jan 34	Jan 33	Jan 32	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 09	Jan 08	Jan 07	Jan 06	Jan 05	Jan 04	Jan 03	Jan 02	Jan 01	Jan 00	Jan 99	Jan 98	Jan 97	Jan 96	Jan 95	Jan 94	Jan 93	Jan 92	Jan 91	Jan 90	Jan 89	Jan 88	Jan 87	Jan 86	Jan 85	Jan 84	Jan 83	Jan 82	Jan 81	Jan 80	Jan 79	Jan 78	Jan 77	Jan 76	Jan 75	Jan 74	Jan 73	Jan 72	Jan 71	Jan 70	Jan 69	Jan 68	Jan 67	Jan 66	Jan 65	Jan 64	Jan 63	Jan 62	Jan 61	Jan 60	Jan 59	Jan 58	Jan 57	Jan 56	Jan 55	Jan 54	Jan 53	Jan 52	Jan 51	Jan 50	Jan 49	Jan 48	Jan 47	Jan 46	Jan 45	Jan 44	Jan 43	Jan 42	Jan 41	Jan 40	Jan 39	Jan 38	Jan 37	Jan 36	Jan 35	Jan 34	Jan 33	Jan 32	Jan 31	Jan 30	Jan 29	Jan 2
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## COMPANY NEWS: UK

## Gestetner sees red as exceptional £50m bites

By Andrew Bolger

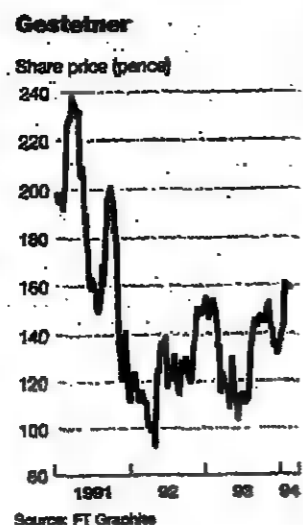
Exceptional charges of £50m have been taken by Gestetner Holdings, the office and photographic equipment distributor, in a pre-tax profit of £33.2m in the year to October 31. This compared with profits of £1.1m in the year to October 31, 1992.

Most of the charges were on restructuring programmes, which began in May when the company, the international services and marketing group, took a 15 per cent stake.

Mr Greg Melgaard, managing director, said the restructuring would involve the loss of 800 jobs, mainly in Europe, reducing the workforce to just over 10,000. After initial falling in sell Vivitar, the US photographic distributor, the group had managed to retain the business.

The group said its margins were under pressure worldwide, with principal markets in Europe continuing to suffer from recession. Sales fell by 11 per cent to £11m, but were only 1 per cent higher in constant currency terms. Trading profits from continuing operations fell by £1.1m to £1.1m.

Mr John Thomson, chairman, said the group was "in a difficult position" and that "Europe continues to suffer from the recession with only modest growth expected



during 1993. The global economic outlook remains uncertain, but the outlook for North America and Latin America is more optimistic and offers opportunities for significant growth.

Sales of office automation products rose by 1 per cent in constant currency terms to £812m, but trading profits fell by £1.1m to £1.1m. The final dividend is cut from 6.4p to 1.2p, leaving a

total for the year of 8.2p. The group said the reduction reflected the need to strengthen the balance sheet to support a recovery in the trading position through 1994.

Net £1.1m increased from £94.7m to £128.9m, raising the share price to 185p, on a 10 per cent increase in the share price. The group said a significant management objective for the current year.

**COMMENT**  
The group management is taking a double step to a previously untested business and is being forced to grapple with tough conditions in Europe. Hanging on to Vivitar also recognises the necessity, when there is little point in disposing of a profitable business for a paltry price. Forecast profits of up to £50m put the shares down to 185p, on a prospective multiple of 15.8. Most investors focus on whether Incheque will raise its share price to 20p by exercising an option on convertible loan notes at 172p per share by July 1. It seems likely Incheque will pursue its strategic interest in the group, which would help the share price. However, the shares are unlikely to advance significantly until the new boardroom approach produces some solid trading results.

## Simon Eng aims for £40m from disposals

By Derek Blackwell

Simon Engineering, maker of engine equipment including fire engine gear, yesterday announced plans to raise £40m through disposals and a sale of a small operating unit for the second half of 1994.

The disposals of both businesses and properties are part of a plan to cut debt and concentrate on core markets.

Mr Maurice Dixon, chief executive in a boardroom shake-out of the group in September, said the group had a "disappointing" trading statement.

Analysts cut their profits forecasts for the full year from between £300m and £350m to about £250m.

Like-for-like sales, which exclude store openings and closures, were up 1.4 per cent at £4.2, 3.9 per cent at Superdrug, and 1.1 per cent at Woolworth over the same period. But sales were down 3.3 per cent.

In addition, the group said it had introduced a new management structure in the second half, resulting in a positive cash flow.

"We're making the progress that we said we would, and quite a bit is coming early in the year," said Mr Dixon yesterday. "This is not rhetoric, but real things happening."

Simon is continuing on the sale of Houston-based Unicom International in the Western Hemisphere of North America, which could raise up to £12m.

Discussions on property sales that could realise £10m were "at an advanced stage," the group said.

Shares in the group fell by 10p to 128p - still more than double the price when Mr Dixon was appointed.

An extraordinary meeting is scheduled for February 7 to seek approval for borrowings of up to £175m. "A limit the board considers to be prudent."

Without the increase, the group, which is still in discussions with its lenders in both the US and the UK, would be unable to secure continued financing.

Simon warned that in spite of "a significant improvement" at the operating level, it expects a small operating loss in the second half.

The pre-tax loss will also reflect a £50m write-down of goodwill carried in the reserves, in addition to the £10m already written off at half-year.

It also announced that it was making provision for expected losses on disposals of £2.9m for 1994; a provision of £7.3m to cover the early repayment of £125m of loan notes; and £1.5m above the £6m made at the half-way stage for refinancing.

**US buyer for 14.5% of Aberdeen Trust**  
A US investment company yesterday bought 14.5 per cent of Aberdeen Trust, the fund management and accountancy services group.

Philadelphia International Investment, a wholly owned subsidiary of Corestates Financial, paid about £10m for 12.18m shares.

Corestates is a Philadelphia-based bank holding company with assets of £23.5bn (£15.8bn).

At the same time, the Merchant Navy Officers Pension Fund said that it had sold its 16.28m shares in Aberdeen Trust.

The shares rose 24p to close at 86p.

Mr Peter Sheldon, chairman and executive director of Stirling Group, the clothing manufacturer which supplies Marks and Spencer, has abruptly left the group.

His departure followed a disagreement over the direction of the import division and his responsibilities within the group.

However, Mr Sheldon said yesterday: "I do not believe the [group] is in a position to represent the situation. The action happened so suddenly and without warning, I need time to consider my position and to take further advice."

"I do not differ with the board as to the direction the import division should be taking."

In the interim, Mr Sheldon said, Stirling's profits will

## Analysts revise Kingfisher forecasts

By Neil Buckley

Shares in Kingfisher, the retailing group, fell 37p to 678p after the company warned that trading conditions were still "patchy", and announced that sales for the 24 weeks to January 13 were up 1 per cent.

Mr Dixon, the group's largest electrical retailer, which rushed out a profits warning earlier this month, Kingfisher is the only leading retailer to have issued a "disappointing" trading statement.

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Sir Geoffrey Mulcahy, chairman of Kingfisher, says retailing is the best way forward

Comet, 7.1 per cent at Darty, France's largest electrical chain which Kingfisher acquired for £1bn last February. Sir Geoffrey Mul-

cahy, chairman, said Kingfisher, like Dixons, had suffered from the price war in the computer games console market, but said that should not have come as a surprise. "This is a perfectly normal pattern with high growth fashion products of this type," he said.

Sir Geoffrey added that Darty had suffered from the French recession and he expected the recovery in France "might be a bit later than we originally thought a year ago".

He pointed out, however, that Darty's figures were "not dramatically out of line" with expectations.

He said operating margins were lower than the year before, but the fall had been planned and was part of Kingfisher's strategy of investing in providing better prices, range and service.

"You expect the investment has to come a bit ahead of the volume increase," he said. "I am confident that value retailing is the best way forward for Kingfisher."

See LEX

## Conversion costs leave Budgens lower

By Peter Pearce

Budgens, the small retailing chain, 29.4 per cent owned by Rewe, the private German food retailer, yesterday reported pre-tax profits down £17,000 to £25,000 for the 26 weeks to November 7.

The figure was struck by exceptional costs of £15,000 for the conversion of nine Budgens stores into Penny Markets outlets.

In the comparable period there were store closure costs of £25,000.

At the trading level, profits rose 10 per cent from £11,000 to £12,000.

The shares eased up to 41p.

Mr John von Spreckelsen, chief executive, said that 1993 had been a difficult year for food retailing with margins under pressure throughout the period. However, he pleased that trading margins improved from 2.7 to 3.1 per cent in the 26 months.

Turnover slipped 1.1 per cent to £151.8m (£154.2m), though the nine converted stores had been closed for an average four weeks during conversion.

In April, Rewe, which has a chain of 1,800 Penny-Market food stores, bought a 51 per cent stake from Mr von Spreckelsen (Far East) for £25m. It has since raised its stake.

In October 11 shareholders of the group

group was to prosper," he said. Gateway said it had seen double digit sales growth in the eight pilot stores.

The re-fit includes a change in the external colour scheme to turquoise, blue and red, fittings and better signs.

Fresh food areas will be extended, and one innovation includes fitting calculators on all shopping trolleys.

Existing Somerfield stores will not be changed. Mr Simons said it was possible some Gateway stores might close in locations where there was more than one, but the planned expansion of the group's 58 Food Giant discount stores meant total floor space would remain little changed.

**City Site Estates back in black with £349,000**  
By Simon Davies  
City Site Estates, the Glasgow-based property company, returned to the black in the year to September 1993, its first profit since 1988, as a result of profitable property sales and the absence of any further write-downs.

Net profits amounted to £118,121 compared with £18,121 in 1992. The 1992 figures were held back by £15.2m in property write-downs and a £3m write-off of goodwill from an acquisition.

The company sold two properties during the year for £23m and reduced net debt by £20m to £71m.

City Site recently put Hards House, London, up for sale at £11.4m - which would result in a book profit of close to £1m - and is looking to rein-

vest the proceeds in other property deals.

Mr Louis Goodman, managing director, said "we will be taking the company forward in an aggressive manner". Since September, City Site has signed purchase agreements on 25m of properties in Scotland.

The company still has a deficit of £3.7m on its distributable reserves, and is unable to pay dividends. It has applied to the Court of Sessions to transfer £1.7m from its capital redemption reserve, and with the continued appreciation in property valuations it is confident it will start to repay deferred preference share dividends at the end of the current fiscal year.

Rental income amounted to £9.9m (£11m) and operating profits were sufficient to cover net interest payable of £8.17m (£9.7m). Losses per share came through at 5p, against 120p

## Crest Packaging static at £2.4m after flotation costs

By Maggie Urry

Tough trading conditions and exceptional costs related to the flotation left interim profits from Crest Packaging the flexible packaging and cartons group, flat at £2.43m, against £2.4m pro forma.

The shares, which were up 10p to 143p yesterday, Mr Rodney Webb, managing director, said the results were in line with expectations.

Operating profits fell 12 per cent to £2.22m (£2.54m) in the 26 weeks to October 30, on sales 7 per cent higher at £21.6m (£20.2m).

There were exceptional flotation charges of £25,000, partly offset by a £400,000 release of

provisions on site reorganisation. Interest swung from payable of £151,000 to receivable of £230,000.

Flexible packaging increased market share with sales up 12 per cent to £13.9m (£12.3m) in a flat market. Pressure on prices and reorganisation costs left operating profits marginally lower at £1.82m (£1.84m).

Cartons fared less well with turnover down 2 per cent to £7.7m (£7.87m) and profits 26 per cent lower at £840,000 (£870,000). However, Mr Webb said the division had borne heavy overtime costs on seasonal work for Christmas and Easter, which was not despatched to customers until after the half-year end.

In November 1991 the group sold eight acres of its 18 acre site in Gillingham, Kent, to Tesco for £21.3m, giving a net profit of £12.7m. In the half year Crest paid £3.7m tax on the sale and £1m to Bowater, previous owner of the site.

With capital investment of £2.9m, there was a cash outflow of £7.3m. Net cash at the half year end was £10.4m, down from a pro-forma £17.7m at April 30 last year.

The float costs boosted the tax rate, leaving earnings per share down at 3.63p (3.95p pro forma). Excluding the exceptional costs, earnings rose 8 per cent to 4.27p. There is no interim dividend but Crest intends to pay a final in October.

Mr Trevor May, an analyst at BZW, said that the Prudential figures showed a fall in annual premiums slightly worse than the market had been expecting.

Prudential shares closed down 12p at 364p.

London and Manchester reported an overall increase in single premium business of 8 per cent to £236m, but annual premium business fell by almost a quarter to £215m.

The group said that this fall reflected the restructuring which it had completed in 1993.

Its shares fell by 23p to close at 413p.

extension to its existing standard agreement to February 15 with the company's lenders and is continuing talks about providing ongoing bank facilities.

HEWIDEN-STUART has acquired Brand & Ras, a maker of building blocks, from Irvine Rae for £413,000 in cash.

HICKING PENTECOST, through a 75 per cent-owned subsidiary, has acquired the business and certain assets of Alan Patne, a knitwear concern, from its administrative receiver for £1.16m.

INTERCARE GROUP has acquired E Bittner, London-based optical distributor for £760,948 - £423,240 cash and the balance via the issue of 208,400 Intericare shares.

In 1993 Bittner showed a pre-tax loss of £158,369 and had net assets of £268,132 at December 31.

NOREX has received acceptance for its offer for Norex Corporation in respect of 2.84m shares, taking the shares it owns or has acceptance for to 6.91m or 73.4 per cent.

## Aim shares lose 15p as profits dive

Pre-tax profits at Aim Group, the maker of aircraft interior fittings, fell 58 per cent in the six months to October 31. And the second half is expected to be hit by the delay in a large contract.

The shares lost 15p to 150p. When the company warned of the difficulties with a Saab contract in November, the shares fell 30p to 143p.

On turnover 24 per cent lower at £15.5m (£20.4m), including £152,000 (£950,000) from property development, pre-tax profits were £1.18m (£2.82m). The comparable figure included £1.94m from profit on disposal of subsidiaries.

Earnings per share were 5.4p (£15.9p) and the interim dividend is maintained at 1.5p.

**John Lusty gets all clear for deals**  
Terms of the acquisition by John Lusty of Vaydean and Trustin-Kerwood have been given the green light by the group's shareholders and accordingly, the maximum consideration of £2.64m, satisfied via the issue of 60.7m new

ordinary shares, will become payable to the vendors.

Lusty agreed to buy the company in December with the proviso that Trustin-Kerwood profits before tax of £1,000,000 for the nine months to 31 October 1993 must be met.

The shareholders certified that Trustin's pre-tax profits for the period amounted to £229,387 and that the amount of Vaydean and Trustin-Kerwood for the period was £1,000,000, including in the case of Vaydean £1,000,000 of investment in Trustin-Kerwood.

**Scottish Provident alters bonus system**  
Scottish Provident is switching to a two-tier bonus system for with-profits endowment policies.

Bonuses on the bonus assured and on existing bonuses will be awarded at different rates - 4 per cent and 5 per cent respectively this year, compared with a level rate of 5.2 per cent last year.

**Contra-Cyclical net assets up 20%**  
Contra-Cyclical Investment Trust reported net assets of £1.1m at December 31, against £920,000 a year earlier.

## NEWS DIGEST

**Bass Brewers to carry £10m cost**  
Mr Ian Prosser, chairman of Bass, said the brewery would carry a £10m cost in respect of end-product duty in June.

However, this would be offset partially by an improvement in the beer market.

At the Taverners, profits were ahead of the comparable period. However, the reduced number of houses would offset profits by some £1m in the first half.

The shares fell 15p to 150p.

**Dunedin Japan net asset value down**  
Dunedin Japan Investment Trust, which was launched at the end of July 1993 with a net asset value of £1.1m, equivalent to 100p a share, reported a net asset value of 92p at December 31. For the first month period net assets amounted to

£47,000, for earnings of 0.23p.

Edin Fund Managers, the Edinburgh-based investment manager, achieved above average long-term capital growth by investing in a diversified portfolio of Japanese equities.

**Exmoor Dual Trust net assets rise**  
Exmoor Dual Investment Trust, the split-capital trust which has a portfolio primarily on similar such trusts, had a net asset value of £1.1m at the end of November 30 against 92.44p a share a year earlier.

Attributable profits amounted to £153,673 (£150,000) for earnings of 1.74p (£1.88p) per share and a final dividend of 2.25p (£2.5p) declared.

**Golden Vale raises Danish stake to 66%**  
Golden Vale, the Irish dairy group, has exercised an option to acquire a further 33 per cent of Vejle Margarinefabrik, the Danish margarine company, bringing its holding to 66 per cent.

Golden Vale paid a further DKR25m (£2.47m) on December 1 to increase its original stake purchased in May. Its investment now amounts to DKR60m.

Interim dividend of 2.25p (£2.5p) declared.

The directors of it was the intention in the current year to pay dividends totalling not less than 9p (£10.5p) per share and 1.55p (£1.88p) per ordinary share.

Dividends shown pence per share net except where stated. 100 increased = 100p. Equivalent = allowing for scrip issue. SUSM stock = Third = makes 5.25p =

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Dates are subject to change. Official indications are not available as to whether the directors are holding or likely and the sub-divisions shown below are based mainly on last year's results.

**TODAY**  
Interline-British Bookings Agency, Hildesheim, Germany, 10.30am.  
Preston, 11.00am.  
Preston, 11.00am.  
Preston, 11.00am.  
Preston, 11.00am.

**FUTURE DATES**  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.

**INTERIM DIVIDENDS**  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.

**FINAL DIVIDENDS**  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.

**SHARE PRICES**  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.

**MARKET COMMENT**  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.

**COMPANY NEWS**  
Bentley, 23 Jan 23.  
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**MARKET COMMENT**  
Bentley, 23 Jan 23.  
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**COMPANY NEWS**  
Bentley, 23 Jan 23.  
Bentley, 23 Jan 23.  
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Bentley, 23 Jan 23.

Market share advances from 6% at flotation to 9% and 20% is seen

## Carpentry rises to £5.51m

By Maggie Urry

Carpentry, the retailer floated by Sir Phil Harris last year, reported interim profits of £5.51m in the 26 weeks to October 30, up from about £3m in the comparable 26 weeks of 1992 and £3.4m in the 26 weeks to November 14.

The shares, which were floated at 148p, yesterday fell 7p to 270p.

Sir Phil put the sharp rise in profits down to an increase in market share from about 6 per cent at the time of the float last June to about 9 per cent now, combined with a fast rate of new store openings.

Sales through comparable stores had risen by 19 per cent even though the carpet market was dull, falling by an estimated 5 per cent.

Carpentry's prices were 3 per cent or 3 per cent lower than a year ago, as the benefit of deals with suppliers was passed on to customers.

Group turnover was £50.5m in the half year, compared with about £25m last time.

The rise in volume led to an increase in net margins from

8.4 per cent to 10.4 per cent, while margins were unchanged.

An interim dividend of 2.7p is declared, with earnings per share at 4.89p. Sir Phil said the split between interim and final would be 1:1.

He was "quite satisfied" with current trading, sales and profits in the January sales being above budget. He said the recently announced merger of Allied and Carpendale would allow Carpendale to increase its target of stores in the UK from 200 to 240.

However, he said the faster than expected rate of opening stores, up from an annual 20-25 to 30-35, meant that the target would be reached over the same three year period. By then he expected to have about 30 per cent of the UK carpet market.

Carpentry opened 13 stores in the first half taking the total to 127. By the financial year end there should be 167 stores.

After the proceeds of the flotation were used to repay the preference shares, the group



Sir Phil Harris, left, with Ian Sneyd, finance director: cash balances improved from £2m to £15.6m over six months

increased its cash from £7.98m in the May 1 balance sheet to £15.6m at October 30. Interest received was £364,000 in the half year.

Sir Phil said eventually Carpendale would like to buy the freeholds of its shops,

but these were currently too expensive. However, it planned to invest the cash in paying suppliers earlier in return for a discount. This would earn much more than keeping the cash in the bank, he said.

## Attwoods US arm pays \$4.5m fine

By Peter Franklin

Eastern Waste Industries, a US subsidiary of Attwoods, has reached a settlement which concludes the US government's investigation into its business.

KWI has pleaded guilty to a charge of mail fraud, and has paid a \$4.5m (\$2m) fine.

The position which led to the investigation was first disclosed by Attwoods itself in an internal audit from which it appeared that there had been over-billing by KWI for landfill services. This had caused some confusion before Attwoods' acquisition of the business.

KWI has a restitution, with interest, to every customer affected, more than 90 per cent of whom have continued to deal with the company.

Attwoods said that the provision made in the accounts for the 1992 year was sufficient for both the fine and all other costs.

Legal costs are expected to total some \$1m, and will be charged as an exceptional item in the accounts for the current year.

Attwoods is a leading waste management group, and provides services in the UK, mainland Europe, the US, the Caribbean and Israel.

## McKay Secs rises 54% to £1.35m

McKay Securities, the property investment and development, enjoyed a substantial benefit from lower interest rates and achieved a 54 per cent rise in pre-tax profits from a restated £577,000 to £1.35m in the first half to September 30.

Gross rental income was little changed at £4.4m (£4.47m) and property sales reduced borrowings by £7m to £20m. Interest payable declined to £1.47m (£1.97m).

Gearing was reduced from 64 per cent to 67 per cent.

Earnings per share were 4p (2.9p) and the interim dividend is restored with a payment of 2.1p.

## Hampson jumps 47% and reviews expansion policy

By Paul Cheswright, Midlands Correspondent

Hampson Industries, the West Bromwich-based diversified industrial group, checked the trend of lower profits with a 47 per cent increase in the first half, accompanied by an increased interim dividend.

The improvement is encouraging the group, which in the face of difficult markets had been seeking growth organically, to review expansion plans.

"We may bring our acquisitions policy forward somewhat, but there is nothing imminent," said Mr Ian Walker, managing director.

Pre-tax profits for the half year to September 30 were £2.48m, against £1.69m, achieved on turnover from continuing operations of £43.5m (£35.2m).

Diluted earnings per share rose from 1.5p to 2.16p, while the interim dividend is lifted 25 per cent to 0.5p.

The group reported better performance across its four main activities: furniture, precision engineering with a concentration on aircraft refurbishment, cleaning and aluminium refining.

The furniture operations were badly hit by the devaluation of sterling which suddenly raised

imported raw material prices. Changing the source of the materials and introducing new product lines led to a return to profit by last May, Mr Walker said.

The improvement has helped reduce gearing. It was 72 per cent at the end of the 1992-93 first half and Mr Walker expects it to be just over 40 per cent by the end of this financial year.

Hampson is finding the upturn in its markets "patchy" but expects "results for the second half to be an improvement on the corresponding period last year" and does not forecast the size of a profits increase.

## Board approach at Intl Food

By John Murrell

Directors of International Food Machinery said yesterday that approaches had been received from two parties interested in strengthening management and injecting working capital.

They added that the approaches were at a preliminary stage and that a further

statement would be made as soon as practicable.

Commenting on the 1993 year, directors said that while no indication of the results could yet be given, trading in the last two months "continued to be poor".

For 1993 profits before tax totalled £1.65m. In the opening six months of 1993 they rose from £202,000 to £278,000 but

in November the company warned that the full year figures were likely to be "substantially below" market estimates.

The food processing and refrigeration equipment company came to market in December 1992 with the shares priced at 51p.

They closed 3p lower yesterday at 50p.

## John D Wood back in black

By Gerry Rimmer

Turnover of John D Wood, the estate agent, expanded 36 per cent from £2.57m to £3.22m and resulted in a return to profits with a pre-tax level of £1.1m in the first half to September 31, compared with £0.1m

of £277,000. Earnings per share were 2.9p (0.9p losses) and USM-quoted company returning to the dividend list - the last payment was 1.5p in 1991 - with an interim of 0.75p.

All eight of the group's London sales offices performed well, "the worst being

improved at all levels with the number of sales increasing by over 50 per cent", directors pointed out.

They added that since the end of October the recovery in volumes and prices had been sustained, "and we expect this trend to continue".

## Wm Ransom static at £0.29m

Static yesterday reported by William Ransom, the pharmaceutical products maker, for the six months to end-September.

On turnover down from £3.4m to £3.31m pre-tax profits came out at £285,000 (£288,000). There was severe pressure on

but the pound boosted exports.

Earnings per share worked through at 1.25p (1.24p) and in line with the company's previously stated intention to reduce disparity, the interim dividend is increased by 46 per cent to 0.75p (0.52p).

The company announced it had appointed Mr David Brown as chief executive.

Mr Brown, aged 68, is a qualified pharmacist and has held managerial positions with Amersham International and Serono Laboratories (UK). He will join the company on February 1.

## Airtours warns of higher interim losses

By Michael Stimpinger, Leisure Industries Correspondent

Airtours, the travel group, yesterday warned shareholders to expect a significant increase in half-year losses as a result of the merger.

Mr David Hogg, chairman, told the group yesterday that while bookings were up, new acquisitions meant that seasonal

profit fluctuations were likely to be higher. Holiday companies usually incur losses over the winter months and make their profits in the summer.

In the first six months of last year, Airtours recorded a pre-tax loss of £15.5m, including nearly £5m spent on its unsuccessful bid for rival tour company Owners Abroad. Full-year pre-tax profits increased by 25 per cent to £45.5m.

Mr Crossland said holiday bookings for winter 1993-94 were currently up 46 per cent on the same time last year. Summer 1994 bookings were ahead 56 per cent.

Over the past two years, Airtours has purchased Aspro, a tour operator, and the Hogg Robinson and Pickfords travel agency chains. Hogg Robinson and Pickfords have been combined to form a chain called Going Places.

## Hill & Smith shows sharp recovery to £4m

Hill & Smith, the Midlands-based steel stockholding, forging and fabricated products company, reversed its downward spiral with pre-tax profits sharply increased over the 12 months to September 30.

On turnover marginally ahead to £87m, profits rose from £1.53m, restated for FRS 5, to £4.03m. Profits had shown a steady decline over the previous three years,

Mr John Silk, chairman, said yesterday that all group business was profitable during the year, except the forging side and that was expected to return to the black in the next few months.

Earnings jumped to 9.81p (1.96p) and a final dividend of 4.1p lifts the total 10 per cent to 6.2p. The group also proposed its usual scrip issue, this time on a 1-for-10 basis.

## Whinney Mackay-Lewis turns in reduced deficit

Continuing losses were yesterday reported by Whinney Mackay-Lewis for the 12 months to end-October, although a "significant improvement" is foreseen for the second half.

Helped by a lower interest charge on £11.1m (£11.17m), the USM-quoted unit and planner turned in a reduced pre-tax loss of £253,000 (£263,000) on turnover of £1.9m

(£1.97m). Losses per share, however, widened from 3.7p to 4.3p.

Mr Jeremy Mackay-Lewis, chairman, said the level of commissions and enquiries had continued to improve, and the group book had increased substantially in recent months. Nevertheless, it could be a while yet before a resumption of dividends could be considered, he added.

The art of Fung Shui uses this ancient Chinese compass to define the future through the harmonious relationship between the earth's forces.

<b>Dynas Development</b> International Placement HK\$648,605,750 43,385,000 shares @ HK\$14.95 each. March 1993	<b>Dah Sing Financial Holdings</b> International Placement HK\$207,260,000 1,640,000 shares @ HK\$12.61 each. March 1993	<b>Champion Technology Holdings Ltd</b> International Placement HK\$370,383,750 30,000,000 shares @ HK\$12.35 each. March 1993	<b>Hutchison Whampoa Warrants 1995</b> Warrant Issue HK\$153,900,000 30,000,000 warrants @ HK\$5.13 each. May 1993	<b>Ryden Development Ltd</b> International Placement HK\$252,500,000 100,000,000 shares @ HK\$2.52 each. June 1993
<b>Indian Opportunities Fund</b> New Issue US\$100,000,000 10,000,000 shares @ US\$10.00 each. August 1993	<b>Henderson Investment Ltd</b> International Placement HK\$2,007,900,000 100,000,000 shares @ HK\$20.08 each. December 1993	<b>New World China Investment Ltd</b> New Issue US\$200,000,000 20,000,000 shares @ US\$10.00 each. September 1993	<b>Technology Resources Industries Berhad</b> International Placement M\$459,212,500 30,000,000 shares @ M\$15.31 each. 2,500,000 "A" shares @ M\$18.38 each. 19,330,000 "A" shares @ M\$15.31 each. September 1993	
<b>TV Dharma Sakiti Sejahtera</b> International Placement IDR41,750,000,000 10,000,000 shares @ IDR4,175 each. September 1993	<b>Malaysian Helicopter Services</b> International Placement M\$58,700,000 10,000,000 shares @ M\$5.87 each. September 1993	<b>Berjaya Leisure Berhad</b> International Placement M\$93,000,000 20,000,000 shares @ M\$4.65 each. December 1993	<b>Powermatic Data Systems Ltd</b> International Placement S\$14,400,000 9,000,000 shares @ S\$1.60 each. October 1993	<b>Shanghai Friendship &amp; Overseas Chinese Co. Ltd</b> Placing Agent For New Issue US\$6,864,000 15,000,000 shares @ US\$0.46 each. December 1993

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## COMMODITIES AND AGRICULTURE

## Aluminium prices slide as producer talks drag on

By Our Commodities Staff

Aluminium prices fell back sharply at the London Metal Exchange yesterday as producers became increasingly pessimistic about the chances of a meeting at which leading producing countries would agree a multilateral solution to the supply glut that has recently driven prices to all-time lows in real terms.

In the morning some dealers had appeared hopeful as they moved on an unscheduled third day of negotiations. "We are moving towards an agreement... hopefully today," an anonymous official told Reuters news agency. And Mr Georgy Gabunia, leader of the Russian delegation, said that his team was adopting "a very positive approach".

A flood of Russian material on the world market following the collapse of the Soviet Union has widely blamed for the oversupply and

there were indications on Wednesday that agreement had eluded delegates during the first two days of talks. Russia's determination not to shift from its opening offer.

The early bullishness of the delegates was shattered at the LME, where the aluminium price for delivery in three months fell to \$1,204 a tonne from Wednesday's close of \$1,205.50.

But the mood seemed to have changed as delegates emerged for the midday break. Mr Gabunia was putting a firm face on things. "We are still talking," he told Reuters, "so we still hope for an agreement." But a Russian diplomat reported that little progress had been made. "Most of the talking was about the Russians," he said.

That apparent erosion of confidence sapped the spirit of the market, and as an agreed blackout ruled out

further reports there was nothing to halt the ensuing price decline. As the talks dragged on into the evening the LME aluminium price slid to \$1,180 a tonne, having touched \$1,150 at one point.

Trade delegates were still struggling late last night to thrash out an agreement that would allow enough aluminium capacity out of operation to give fresh heart to the market. Analysts believe cuts amounting to at least 1.5m tonnes a year, or about 10 per cent of current output, would be needed to achieve this.

● Daily average primary aluminium output in December 1993 was 4,700 tonnes, according to figures from the International Primary Aluminium Institute. Total production in December (31 days) was 1,256m tonnes, compared with 1,221m in November (30 days) and 1,301m in December 1992.

## Brazilian move lifts coffee

By Delovnik Hargreaves

Coffee prices staged a partial recovery after Wednesday's sharp fall and moved up \$13 a tonne yesterday to \$1,180 a tonne.

The market was buoyed by Brazil's announcement that it would rollover producers' debt, for which it is holding coffee as collateral. That means Brazil will be able to hold on to the coffee rather than selling it in the open market. In fact, Brazil will enter the market again today when it stages its initial auction.

Reports of the uprising in Mexico could also lift the crop also underpinned prices. Estimates have put the loss in national production from rebel action as high as 20 per cent.

Colombia's decision to cut its export target by 10m bags to 11m bags because the market was turning out to be poorer than expected had already given support to the weak coffee market.

Producers will meet in Guatemala today to review the retention scheme which allows operation in October. Although coffee prices have not risen much since the scheme came into operation, producers' actions have helped support prices at their current level.

London Metal Exchange continues to generally follow the exception being LEAD, which saw the three months position reach \$524 a tonne before running into resistance. At the close it was quoted at \$524 a tonne, up \$10 on the day.

WTI ended easier but underlying support towards \$10 a barrel stemmed the fall.

Compiled from Reuters

## Placer Dome outbids Newmont for big Peruvian gold deposit

By Sally Bowen in Lima

Placer Dome, of Canada, through its newly-established Peruvian subsidiary, snapped the option on a Peruvian gold deposit owned by state mining company Mineroperu at auction in Lima yesterday.

It is Placer Dome's first Peruvian acquisition. Placer Dome offered a bid of US\$1.1m over five years for the rights to the 3,500-hectare deposit known as Jhuamarc, in the northern department of Lambayeque. It will also develop the deposit.

The Canadian company, which is looking at a number of investment possibilities in Peru, outbid Newmont Mining, the US joint venture and operator of the recently-opened and hugely-profitable Yanacocha gold deposit in the department of Cajamarca. Newmont, in association with a Peruvian company, \$1.8m.

Local representatives of Placer Dome described their bid as a "blow-out bid". "Geologically, it looks very attractive," said Mr Juan Antonio Olachea, legal representative. Jhuamarc was discovered in 1970 and has been partially explored with assistance from Japanese mining engineers. It contains around 200 tonnes of gold per hectare, between 100 and 200 per hectare of silver and up to 10 per cent zinc. Placer will have further exploration work to do before a definitive contract is signed.

Next is the Mineroperu self-off calendar in the modern copper refinery located in the southern port of Ilo. The date is February 11 and five potential purchasers have been pre-qualified to bid - Southern Peru Copper Corporation and Cyprus Minerals, both from the UK; and Britain's Montagu Mining and Finance.

The refinery is up to date and relatively modern. It presently produces 100,000 tonnes of pure copper cathodes under a tolling agreement. This requires 50,000 tonnes of refined, considerably above the international norm, hence the US-owned company's interest in acquiring the refinery.

The minimum price for Ilo has been set at \$75m with an additional investment commitment of \$20m over three years.

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## Comex board gives approval for merger with Nymex

By Laurie Morse in Chicago

The Board of Governors of New York's metals exchange, the Comex, gave the nod to a merger with its neighbour, the New York Mercantile Exchange at a meeting Wednesday night.

Comex board approval is expected to set off an active lobbying effort to persuade members of both exchanges to vote for the merger.

Nymex and Comex members will receive a proxy statement detailing the merger proposal within four or five weeks, with a vote to be scheduled shortly afterward. A two-thirds majority of the Comex members voting and a majority of Nymex members voting is required to approve the merger.

One of the problems in the past has been the lack of much of the increase in cattle output

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## MARKET REPORT

## London silver market bounces

London SILVER prices bounced yesterday, moving past the technical target of 530 US cents as the market floated. It approached 540 US cents as it closed at 537.5 US cents a lb, up 7 US cents on the day.

At the New York Commodity Exchange (Comex), however, the March futures price sustained an early fall to 522 cents before rallying to 525 cents, down 6.7 US cents on the day. The New York silver market has been very volatile of late, with the March position registering a 23-cent swing on Wednesday. "Silver is fairly thin on Comex and just a few people can move the market," a London dealer explained.

The London GOLD price moved up cautiously early in

## FT GOLD MINES INDEX

Weekly values	Jan. 18	% chg on week
Regional Index	2,318.0	+0.3
North America	3,039.9	-5.8
South America	2,752.9	+2.0
Asia Pacific	2,958.5	+4.2
Europe	2,901.7	+1.5

Source: FT. For any other index, see FT. Daily publication. Not all data are shown.

but with physical interest

scarce the gain was pared back to 525 cents at the close.

"It is swamped by the physical side. Physical demand may indicate support but it cannot give the market a significant push," a dealer said.

At the London Commodity Exchange (LCE) COCOA futures

stayed in the after-

noon still sustaining sharp losses after lunch. The May quotation slid \$15 down at the close to \$1,180 a tonne after reaching \$1,195 at one point.

Traders said little about the move, saying the market was still holding its nerve wide range. "Until we break \$900 or \$910 then it's a break into new territory," one commented.

London Metal Exchange continues to generally follow the exception being LEAD, which saw the three months position reach \$524 a tonne before running into resistance. At the close it was quoted at \$524 a tonne, up \$10 on the day.

WTI ended easier but underlying support towards \$10 a barrel stemmed the fall.

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**LEISURE & HOTELS - Cont****OTHER FINANCIAL****PROPERTY - Cont.****SPIRITS, WINES & CIDERS - Cont.****TRANSPORT - Cont.**

TRANSPORT		Notes	Price
7	Sea Containers		172
8	Ships		176
9	Ships		176
10	Ships		176
11	Ships		176
12	Ships		176
13	Ships		176
14	Ships		176
15	Ships		176
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99	Ships		176
100	Ships		176

WATER		Notes	Price
1	London		5225
2	London		10748
3	London		10748
4	London		10748
5	London		10748
6	London		10748
7	London		10748
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12	London		10748
13	London		10748
14	London		1074

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## TEXTILES & APPAREL

**Info Nova Corp Alberta** 1994-1995 18

[illegible]

1980	131	42	786
1981	132	43	787

1990	236	42
1991	10	11
1992	14	11

Gruppen \_\_\_\_\_ VLF  
 Gruppen TJ \_\_\_\_\_ J

1995-1996

1694-95

**FT Free Annual**  
You can obtain the current prices of all publicly traded securities in the United Kingdom from outside UK, call +44 (0) 770 3822, quoting your account number. Reports are issued daily, subject to the usual disclaimer. Remember to state the above and also your position.

**FT Cityline**  
Up-to-the-second share price information by telephone from the FT Monday's share price page.  
An international service available outside the UK, annual call FT 071-673 4378 (+44)

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1. The first step is to identify the problem or question that needs to be addressed. This involves understanding the context and the specific requirements of the task.

2. Next, it is essential to gather relevant information and data. This can be done through research, consultation with experts, or by analyzing existing resources.

3. Once the information is gathered, the next step is to analyze it and identify the key factors that influence the outcome. This often involves breaking down the problem into smaller, more manageable parts.

4. After analysis, a plan or strategy should be developed. This plan should outline the steps that need to be taken to solve the problem, taking into account the resources available and the potential challenges.

5. The final step is to implement the plan and monitor the progress. This involves putting the plan into action and regularly checking in to see how things are going. If necessary, adjustments should be made along the way.



**THE UNIVERSITY OF CHICAGO**

[illegible]

**PANCES**



Compiled with the assistance of Lautro §§

**OFFER PRICE:** Also called **ask**. The price shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio

**CANCELLATION PRICE:** The minimum

practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the net asset value. However,

**TIME:** The time shown alongside the fund

name. The symbols are as follows: (V) - 0001 to 1700 hours; (S) - 1701 to 1400 hours; (+) - 1401 to 1700 hours; (A) - 1701 to midnight.

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مِنْ أَهْلِ بَيْتِهِ

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Financial Sec.	54	216.4	216.4	230.2	+0.8	5.72	Winged Victory ACB	54	127.47	93.43	96.50	97.50	+0.50
GM & Post Int. Inc.	55	95.30	95.30	95.30	+0.0	0.00	Winged High Yield Inc.	54	108.63	106.43	106.43	106.43	+0.00
Gold & Exploration	55	87.43	87.43	87.43	+0.0	7.28	Winged High Yield Inc.	54	108.64	106.44	106.44	106.44	+0.00
Info Comm.	55	87.43	87.43	87.43	+0.0	0.00	Winged High Yield Inc.	54	108.64	106.44	106.44	106.44	+0.00

Company	1982	1983	1984	% Chg.	Company	1982	1983	1984	% Chg.
Japan Graph	188.2	225.2	298.2	+6.1	UK Telecom. Acc.	5.4	62.24	62.74	+0.8
Japan Ind. Grp.	185.5	185.5	173.9	-0.4	UK Income Inv.	5.4	57.84	57.84	0.0
Japan Smaller	116.5	118.5	200.5	-0.4	UK Income Acc.	5.4	63.81	63.81	0.0
Korea	79.99	79.99	15.09	-0.32	UK Smaller Cos.	5.4	38.05	37.84	-0.5

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399
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Upper Growth	1927	1927	1927	+0.8	10.20	Champion M. Anderson, Vinton, Mo. 10-10-1927	None	345004
Lower Growth	1927	1927	1927	+0.8	10.33	1255 Americans	277.75	277.75
Income	1927	1927	1927	+0.8	10.33	Do Adams	277.75	277.75
Schneider	1927	1927	1927	+0.8	10.33	1779 But G	277.75	277.75

American	255.36	254.30	271.82	-1.96	0.73	Do Cows	228.78	227.04	241.84	-1.76	0.86
Account United	277.34	277.94	266.60	-0.60	0.00	Do Access	246.89	241.32	251.12	-4.57	0.53
European Growth	73.39	74.38	70.22	-0.99	0.00	198 Smaller Cows	77.81	77.37	78.00	-0.44	0.00
Account United	78.44	78.44	81.88	-0.44	0.00	Do Access	88.87	86.87	88.00	-2.13	0.00

Oil & Gas Income	88.63	50.00	62.86	-0.56	0.00	758 Income	0	285.20	365.00	0.00	-2.25	0.00
Comcast Utility	75.00	75.00	75.00	-0.00	0.00	Do Account	0	0.00	0.00	0.00	0.00	0.00
Radio Bond	54.41	54.41	54.41	-0.00	0.00	758 Payroll	0	937.52	937.52	0.00	0.00	0.00
Comcast Utility	50.00	50.00	50.00	-0.00	0.00	Do Account	0	0.00	0.00	0.00	0.00	0.00

Japan Smelt Co.	54	463.07	494.14	494.24	-2.00	13.00	7345	5407	5698.29	527.81	+1.94
							8	518.99	199.85	598.57	+6.74
							6	739.18	162.81	592.95	+0.16

1. *Journal of the American Medical Association*, 1990; 263: 1025-1026.

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## CURRENCIES AND MONEY

## MARKETS REPORT

## German moves confuse

A SERIES of unexpected, and oddly timed announcements from the Bundesbank in the foreign exchange markets bemused and somewhat wrong-footed on a day described by one analyst as "remarkable", writes Chris Tucker.

An early announcement from the German central bank that it had decided to leave its official discount and Lombard rates unchanged was widely expected and made little impact on the D-Mark.

However, the Bundesbank did not make any comment on the repo rate, prompting speculation that it would ease monetary conditions either via a lower Lombard rate or by reintroducing a variable repo rate.

European futures traded up the hour after the Bundesbank announcement, but fell back after the announcement that it would not change its repo rate.

The Bundesbank's decision to scrap the progressive minimum requirements on sight deposits and introducing a new minimum requirement of 12.1 per cent on deposits of between 100,000 and 12.1 per cent had been imposed according to the volume on deposit. It was that the rise in liquidity that resulted from the change in requirements was not offset by the increase in the money market.

Economists said the move was designed to reduce credit costs in the economy without putting the D-Mark under any undue pressure. It was enough, like the rest of the Bundesbank's various moves to boost the D-Mark against the dollar.

The D-Mark and the reserves changes could be good for German banks, and potentially good for the economy, and the fact that the repo rate was held at 6 per cent means that the

## Sterling

March '94 Future Contract, bid price

95.0

94.9

94.7

94.6

Dec '93 Jan '94

Source: FT Graphs

1st 1.4955 1.4930

2nd 1.4955 1.4930

3rd 1.4955 1.4930

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Having opened at 5.1, it moved up 1/4 of a point to close at 5.1 per cent.

"It's a slap on the wrist," said one dealer of the Bank's move. "The Bank is saying don't be stupid boys. Rates are where we set them, not where you want them and they are staying where they are at the moment." "My guess is the Bank does not like where three-month money is at the moment, they think it's low," said another.

The March short sterling contract traded in a wide range, reflecting the Bank's operations. From an opening of 94.82 it dropped as low as 94.72 close at 94.75.

In early trading the pound was buoyant, following a radio interview in the morning during which Mr Kenneth Clarke, the chancellor, sought in clear expectations for another interest rate cut.

"What you have to do is yourself a clear line of what you change interest rates and what to it, not to be influenced by what the market says in the morning," Mr Clarke said. He added that in the medium term the government needed to keep inflation down because for businesses are enjoying the recovery, "most of them know that inflation is a serious check to their recovery".

The pound did not seem to be in a hurry, however, mainly because of the D-Mark gains and closed down a fraction of a point, compared with Wednesday's 1.4955. Against the dollar it was slightly higher, closing at 1.4955.

The D-Mark moved weaker after a 1/4 point cut in Sweden's marginal interest rate to 7.5 per cent. Analysts said the cut confirmed the central bank's cautious approach to monetary policy and its desire to see a sustained strengthening of the currency.

Turkey's central bank raised its interest rate sharply to 10 per cent on the line, but banks remained reluctant to lend more to the treasury. The D-Mark ended at 17,000 to the dollar on the inter-bank market after slumping 12.1 per cent on Wednesday to 18,500, after the central bank jacked up weekly liquidity from 105 per cent.

The D-Mark and the reserves changes could be good for German banks, and potentially good for the economy, and the fact that the repo rate was held at 6 per cent means that the

## COUNTRIES SPOT CURRENCY MARKETS

Jan 20	Closing mid-point	Change on day	spread	Day's high low	One month Rate %PA	Three months Rate %PA	One year Rate %PA	Bank of Eng Index
Europe								
Austria			907 - 043			-0.2	18.3106 -0.3	113.5
Belgium	(B) 54.2685	-0.0066	267 - 123	54.2673 54.1616	52.3545 -1.8	54.5098 -1.8	54.8445 -1.1	112.5
Denmark	(DK) 10.1347	-0.0005	531 - 709	10.1343 10.1042	-1.2	10.1542 -0.8	10.1597 -0.2	114.8
France	(FM) 8.8645	-0.0005	609 - 680	8.8632 8.8372	8.874 -1.3	8.8863 -1.0	8.9003 -0.4	107.8
Germany	(DF) 2.9029	-0.0013	0 - 337	2.9185 2.8590	-0.1	2.9066 -0.6	-0.2	102.4
Greece	(G) 272.938	-0.448	726 - 150	272.932 272.421	-0.1	-0.1	-0.1	115.0
Ireland	(IR) 1.0408	-0.0005	474 - 501	1.0403 1.0383	1.0414 -0.7	1.0423 -1.0	1.0440 -0.4	115.0
Italy	(IT) 1.4800	-0.0005	674 - 741	1.4795 1.4769	-0.2	-0.2	2003.94 -2.5	76.7
Luxembourg	(LF) 1.4800	-0.0066	267 - 123	1.4793 1.4518	54.3345 -1.9	54.5085 -1.8	54.7443 -0.9	112.5
Netherlands	(NL) 1.4800	-0.0005	186 - 231	1.4793 1.4709	0.0	2.9182 -0.2	2.9063 -0.4	116.0
Norway	(NK) 11.2649	-0.0005	615 - 682	11.2638 11.2254	-1.7	-1.7	11.2351 -0.0	85.0
Portugal	(P) 213.84	-0.0005	572 - 213	213.837 213.827	-0.1	-0.1	-0.1	115.0
Spain	(SA) 213.84	-0.0005	572 - 213	213.837 213.827	-0.1	-0.1	-0.1	115.0
Sweden	(SK) 12.1323	-0.0003	297 - 418	12.1301 12.0759	12.1578 -2.5	-1.8	12.2393 -1.4	115.0
Switzerland	(S) 1.4800	-0.0038	712 - 815	1.4799 1.4759	1.3	1.2734 -1.3	-0.1	82.0
UK								
EDU		-1.2342	-0.0007	413 - 429	1.3476 1.3404	-1.3	1.3454 -1.0	-0.5
ESU		-0.922204	-0.0005	413 - 429	1.3476 1.3404	-1.3	1.3454 -1.0	-0.5
Japan								
Brazil	(Penc) 1.4995	-0.0079	360 - 361	1.5000 1.4885	-1.3	-1.3	-1.3	115.0
Canada	(CA) 610.280	-13.013	170 - 363	611.000 596.000	-1.3	-1.3	-1.3	115.0
China	(CS) 1.9842	-0.0008	635 - 649	1.9837 1.9844	1.7	1.9586 1.6	1.1	92.0
Mexico	(New Peso)	4.6576	-0.0257	533 - 599	4.6599	-1.3	-1.3	115.0
South Africa	(R) 1.4998	-0.0078	393 - 939	1.4993 1.4853	-1.3	-1.3	2.0	47.4
Asia								
Australia	(AS) 2.1277	-0.0007	267 - 269	2.1263 2.1057	2.1263 0.8	2.1242 0.7	2.1292 1.3	115.0
Hong Kong	(HKS) 11.5840	-0.0594	813 - 867	11.5878 11.4759	11.5636 2.1	11.5301 1.9	1.3	115.0
India	(R) 47.0408	-0.2485	233 - 525	47.0580 46.5360	-1.3	-1.3	-1.3	115.0
Indonesia	(ID) 16.5210	-0.17	127 - 215	16.5210 16.5210	16.76 2.3	16.5571 3.1	16.21 3.1	178.0
Malaysia	(M) 4.1152	-0.0434	133 - 170	4.1170 4.0313	-0.1	-0.1	-0.1	115.0
New Zealand	(NZS) 2.6520	-0.0003	499 - 540	2.6545 2.6037	-1.0	2.6692 -0.8	-0.3	115.0
Philippines	(Penc) 2.4176	-0.2168	356 - 124	2.41994 1.4556	-1.3	-1.3	-1.3	115.0
Singapore	(S) 5.5213	-0.02	200 - 206	5.5248 5.5248	-1.3	-1.3	-1.3	115.0
Sri Lanka	(SL) 4.8135	-0.0153	134 - 147	4.8153 2.3980	-1.3	-1.3	-1.3	115.0
Taiwan	(TA) 5.1180	-0.0296	134 - 226	5.1226 5.0842	-1.3	-1.3	-1.3	115.0
Thailand	(T) 5.1180	-0.0296	134 - 226	5.1226 5.0842	-1.3	-1.3	-1.3	115.0
South Korea	(K) 1215.31	-0.0005	255 - 456	1215.31 1215.31	-0.1	-0.1	-0.1	115.0
China	(R) 38.6705	-0.2213	565 - 647	38.6847 38.2900	-1.3	-1.3	-1.3	115.0
Thailand	(R) 38.6705	-0.2213	565 - 647	38.6847 38.2900	-1.3	-1.3	-1.3	115.0
YTD rate for Jan 1			-199	36.9739 36.0010	-1.3	-1.3	-1.3	115.0
YTD rate for Jan 1: 36.9739 means the Dollar Cost basis shown for the last three decimal places. Forward rates are not strictly quoted by the market but are calculated by current interest rates, and are calculated by the Bank of England, Base average 1982 = 100.								
Note: Bid and Mid-rates and the Dollar Cost basis shown for the last three decimal places are based on the WABFutures CLOSING SPOT rates. Some values are rounded to the nearest cent.								

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WORLD STOCK MARKETS

Table with multiple columns showing stock market data for various regions including Europe, Asia, Pacific, Africa, and North America. Includes indices and individual stock prices.

Table with multiple columns showing indices and stock market data for various regions including Europe, Asia, Pacific, Africa, and North America. Includes indices and individual stock prices.

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Continued on next page

4 pps close January 20



# Results keep Dow in record territory

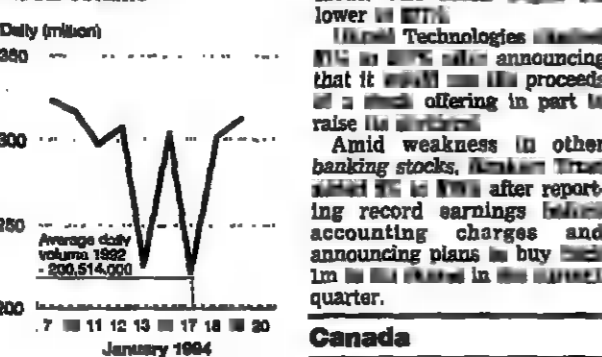
## Wall Street

The bellwether blue-chip index again moved into record territory yesterday morning as a fresh batch of corporate results failed to lift the broader market, writes Frank McGurk in New York.

By 1 pm, the Dow Jones Industrial Average was 1,100.00, up 10.00 from 1,090.00 at the close of the previous session. The S&P 500 was 339.00, up 3.00 from 336.00. The Nasdaq Composite was 1,100.00, up 10.00 from 1,090.00.

Transportation stocks were generally weaker. Union Pacific was down 1 1/2% to 47 1/2. In the second quarter, American SE composite edged 0.14 higher in 1993. Rebounding technology lifted the Nasdaq.

## NYSE volume



On a favourable note, December housing starts were 1.1 million units, well ahead of expectations. That news was partially offset by an unexpected rise in weekly claims for unemployment benefit.

Meanwhile, the Philadelphia Federal Reserve's January index of business activity slipped in 34.2, from last month's 34.4. But the impact of moderating growth trend was positive for stocks, which drew comfort from the decline in bond yields.

Telebras, which advanced about 10% to \$37, with the yield at 8.71%.

Expectations were high, and

# LVMH depressed in Paris after announcement

Individual stories predominated in yesterday's trading, writes John Morgan in Paris.

PARIS was preoccupied with LVMH's announcement that it was to refinance its shareholding structure with Guinness of the UK. Under terms of the announcement the UK group will sell its 24 per cent indirect stake in LVMH and take a 34 per cent direct stake in Most Hennessy. The group said that it expects the changes to give it a cash pile of some FF1.1bn.

LVMH closed down FF138.34, or 3.4 per cent, at FF2,889, after a low of FF2,835, and those of associated groups Bon Marche and Christian Dior lost FF47 and FF200 respectively to FF735 and FF730.

The CAC-40 index shed 16.66 to 2,267.81 in turnover of some 1.5bn shares.

FRANKFURT closed lower in directionless trading although

FT-SE Actuarial Share Indices

Index	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15
FT-SE 100	1478.00	1478.00	1478.00	1478.00	1478.00	1478.00
FT-SE 250	1570.42	1570.42	1570.42	1570.42	1570.42	1570.42

FI 109.10 on further investor worries about its positioning in the petrochemicals sector, while Alko was off FI 2.90 at FI 207.00.

Fokker went slightly against the trend, up 90 to FI 21.20, as it announced that it would, in the medium term, become a management holding company with three operating divisions: trading, chemicals and plant construction.

Elsewhere, activity was generally muted although Continental managed to go against the trend, adding DM2 to 282.

AMSTERDAM retreated moderately as the large multinational groups were affected by a slightly weaker dollar. The AEX index slipped 2.35 to 424.98.

LUX retraced FI 1.80 to

617.71, although some heavy selling was late in the day.

The LUX index marked a decrease which would be the first since its introduction in 1992. Insurer, Ina, ahead of its privatisation, could be delayed because of the forthcoming election. Generali fell 1.78 to 120.00 and SAI was 1.575 lower at 127.64.

Montedison edged 14 higher to 1958. Continuing heavy volume of trading at 85.4m shares prompted speculation that the creditor banks might be shifting their holdings.

MADRID pulled back on Wednesday as the composite index shed 1.61 to 341.82. Banking stocks were hit hardest. Banco Central Hispana fell Ptas75 to Ptas74.50 and Banco Vizcaya eased Ptas50 to Ptas49.50.

Endesa remained firm, finishing Ptas90 ahead at Ptas90.00 after peaking at a record Ptas100.

WARSAW climbed to a new high but market analysts commented that they expected a correction ahead of the listing of Bank Slaski on Tuesday.

The index rose 339.2 or 2.2 per cent to 15,420.8 in turnover of 3,400m zlotys.

ISTANBUL rose 5.7 per cent after falling for more than four sessions, as the currency stabilised against the dollar following recent volatility.

The composite index ended up 1,520.28 at 27,024.86.

ATHENS continued its correction for the second consecutive session with a fall in the general index of more than 3 per cent. The index ended at 1,132.11 in high volume of 4.7m shares.

## ASIA PACIFIC

# Nikkei continues to rise as Bangkok retreats 4.2%

ers said some funds were flowing into the stock market from the sluggish bond market.

Afternoon sales by Japanese dealers were countered by overseas demand. Japanese investors are cautiously choosing Japanese stocks.

Yutaka Nakai, a corporate selling agent of the Nikkei, said the market was advancing.

Volume amounted to 550m shares, rising above the 500m level for the first time since December 10. Advances led declines by 537 to 436, with 194 issues unchanged.

Banking shares were bought by overseas investors underweight in the sector. Sumitomo Bank rose Y90 to Y2,170 and Industrial Bank of Japan gained Y100 at Y3,070.

Other financial stocks were also strong, with Nikko Securities up Y20 to Y1,220 and Tokio Marine & Fire Insurance adding Y30 at Y1,290.

Nippon Telegraph and Telephone, rising Y11,000 to Y555,000, posted its 18th consecutive gain, while foreign investors supported East Japan

Railway, which moved up Y8,000 to Y491,000.

Nippon Kayaku jumped Y80 to Y812 and Takara Shoin rose Y50 to Y750 on speculation that the companies' immunosuppressant drug will be marketed in Europe.

Hanwa, the steel trader whose stock was suspended on Wednesday after an announcement of the resignation of its president and large investment losses, was left untraded due to a lack of buyers. The stock remained offered at Y777, down by its daily limit of Y100.

In Osaka, the OSE average rose 39.54 to 21,033.56 in volume of 68m shares.

Roundup

Many of the region's markets fell back yesterday.

BANGKOK dropped by 4.21 per cent as institutions sold finance and property shares. The SET index lost 61.44 to 1,388.3 in turnover of BT13.4m.

Sentiment was affected by worries about tighter liquidity following the rise in the overnight interbank rate. Finance and property were the two big sector losers, the former losing

5.5 per cent and 4.4 per cent respectively.

HONG KONG eased back as investors booked profits. The Hang Seng index fell 93.93 to 11,264.84, after a high of 11,374.41.

Turnover was HK\$11.02bn with foreign funds seeking to take a more active stance on both the buy and sell sides.

The property sector led the market down with the sector sub-index falling by 1.7 per cent.

Chung King lost HK\$1.50 to HK\$46.25. SHK Properties HK\$2.50 to HK\$65.50, and Henderson HK\$2.50 to HK\$1.

PAKISTAN fell sharply ahead of today's weekend, as investors in the financial sector led sellers, writes Farhan Bolhar in Islamabad.

The KSE-100 index fell 51.08 to 2,399.49.

Falls were led by the financial sector as investors sold shares in banks and other financial institutions, fearing that the continued rise in prices had made some stocks overvalued, analysts said.

SEOUL drifted lower as the consolidation phase continued. The composite index ended 8.5

# Domestic investors drive markets

By Michael Morgan

Turnover in the leading European equity market accelerated in December as share prices were driven higher by hopes of a further cut in German interest rates.

Mr James Cornish of NatWest Securities comments that it was a fitting end to a year in which turnover in the FT-A Europe index rose by 40.3 per cent over 1993.

per cent. Excluding the UK, turnover rose up by 50.3 per cent, and the index put on 10 per cent.

However, turnover in European stocks traded during December on Seaq International, the London screen-based system, fell by 2 per cent on the month.

"This was a strong volume growth in domestic mar-

although that peak immediately preceded a sharp correction after the unification euphoria. The market was buoyed during last month by a stream of 183 news items and results which took the Dax index to a series of record highs. Speculation, in the event ill-founded, about rate cuts ahead of the month's Bundesbank council meetings, also played a part.

Italian turnover surged 17.9 per cent on the month, representing a 12.3 per cent rise over the average for the previous three months, as investors recovered their confidence after the surprise rout of centre parties in November's local elections. The pick-up also accompanied signs that the budget was winning a broad measure of support in parliament and strong demand for privatisation candidates.

In the Netherlands, turnover fell 6.6 per cent, although this was still 7 per cent higher than the average for the previous three months.

Spain's 7.3 per cent decline came as little surprise after November's record level, and turnover was still 30.8 per cent higher than the average of the previous three months.

EUROPEAN EQUITIES TURNOVER

Monthly total in local currencies (bn)

Source	Sep 1993	Oct 1993	Nov 1993	Dec 1993
Belgium	88.50	77.87	78.50	91.00
France	134.37	201.55	161.00	218.05
Germany	150.42	183.24	177.99	211.05
Italy	44,009.6	31,410	44,009.6	44,009.6
Netherlands	18.90	25.10	27.20	25.40
Spain	528.81	1,000.59	1,284.8	1,287.5
Switzerland	19.00	28.50	26.50	31.90
UK	48.82	48.32	62.51	55.75

FT ACTUARIAL WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. In conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	Index	Day's Change %	WEDNESDAY JANUARY 19 1994		THURSDAY JANUARY 20 1994		DOLLAR INDEX	
			Index	% chg	Index	% chg	Index	% chg
Australia (60)	176.95	1.1	176.95	1.1	176.95	1.1	176.95	1.1
Austria (17)	191.92	0.7	191.92	0.7	191.92	0.7	191.92	0.7
Belgium (42)	154.43	0.9	154.43	0.9	154.43	0.9	154.43	0.9
Canada (107)	146.31	0.8	146.31	0.8	146.31	0.8	146.31	0.8
Denmark (52)	138.48	0.6	138.48	0.6	138.48	0.6	138.48	0.6
Finland (22)	146.42	1.6	146.42	1.6	146.42	1.6	146.42	1.6
France (68)	177.78	1.1	177.78	1.1	177.78	1.1	177.78	1.1
Germany (69)	151.05	1.0	151.05	1.0	151.05	1.0	151.05	1.0
Hong Kong (55)	455.38	3.0	455.38	3.0	455.38	3.0	455.38	3.0
Ireland (14)	205.25	0.3	205.25	0.3	205.25	0.3	205.25	0.3
Italy (69)	130.44	0.7	130.44	0.7	130.44	0.7	130.44	0.7
Japan (409)	130.44	1.8	130.44	1.8	130.44	1.8	130.44	1.8
Malaysia (59)	492.34	-2.6	492.34	-2.6	492.34	-2.6	492.34	-2.6
Mexico (18)	234.01	1.6	234.01	1.6	234.01	1.6	234.01	1.6
Netherlands (58)	130.44	0.5	130.44	0.5	130.44	0.5	130.44	0.5
New Zealand (14)	70.41	0.6	70.41	0.6	70.41	0.6	70.41	0.6
Norway (23)	155.03	1.6	155.03	1.6	155.03	1.6	155.03	1.6
Portugal (40)	240.31	0.5	240.31	0.5	240.31	0.5	240.31	0.5
South Africa (30)	255.95	-1.1	255.95	-1.1	255.95	-1.1	255.95	-1.1
Spain (42)	146.48	1.1	146.48	1.1	146.48	1.1	146.48	1.1
Sweden (26)	219.84	0.4	219.84	0.4	219.84	0.4	219.84	0.4
Switzerland (49)	195.58	1.0	195.58	1.0	195.58	1.0	195.58	1.0
United Kingdom (215)	212.78	1.0	212.78	1.0	212.78	1.0	212.78	1.0
USA (518)	132.62	0.9	132.62	0.9	132.62	0.9	132.62	0.9
EUROPE (744)	173.03	1.0	173.03	1.0	173.03	1.0	173.03	1.0
Europe (119)	212.08	0.7	212.08	0.7	212.08	0.7	212.08	0.7
Pacific Basin (729)	152.26	1.8	152.26	1.8	152.26	1.8	152.26	1.8
Euro-Pacific (1469)	161.00	1.4	161.00	1.4	161.00	1.4	161.00	1.4
North America (829)	189.72	0.8	189.72	0.8	189.72	0.8	189.72	0.8
Europe Ex. UK (829)	149.58	0.9	149.58	0.9	149.58	0.9	149.58	0.9
Pacific Ex. Japan (253)	274.79	1.2	274.79	1.2	274.79	1.2	274.79	1.2
World Ex. US (1651)	163.10	1.4	163.10	1.4	163.10	1.4	163.10	1.4
World Ex. UK (1934)	168.08	0.8	168.08	0.8	168.08	0.8	168.08	0.8
World Ex. Ex. UK (2108)	171.44	0.9	171.44	0.9	171.44	0.9	171.44	0.9
World Ex. Japan (1700)	190.70	0.5	190.70	0.5	190.70	0.5	190.70	0.5
The World Index (2189)	171.94	0.8	171.94	0.8	171.94	0.8	171.94	0.8

November 1993 This announcement appears as a matter of record only

**SIEBE plc**

Windsor, Great Britain

acquired through a fully owned subsidiary by way of a capital increase of 100% of the share capital of

**JCE ECKARDT AG**

Stuttgart, Germany

acted as financial adviser to Siebe plc and JCE in the negotiations.

**Schröder Münchmeyer Hengst & Co**

Corporate Finance

April 1993 This announcement appears as a matter of record only

**SIEBE plc**

Windsor, Great Britain

has acquired through a fully owned subsidiary

**EBERLE GmbH**

Nürnberg, Germany

We acted as financial adviser to Siebe plc and Eberle GmbH in the negotiations.

**Schröder Münchmeyer Hengst & Co**

Corporate Finance

## RECRUITMENT

### JOBS: Why changes in executive employment may cause upheavals in housing and pensions markets

## Turn of the tide is confirmed

Three cheers are nowhere enough for the Jobs column's present writer to call for this morning. The column is that, with only two weeks to go before giving way to the new year and heading for retirement, I am much rather hand over on a rising tide than on the ebb.

Hence the breathless hush that awaited the latest executive-demand statistics was not due entirely to the column's smoking five solid years of decline in the United Kingdom market, scarcely conducive to optimism, and though July-to-September was shown an upturn, it was slight enough to have been wiped out by a further plunge in October-December.

Then up came the new figures from the MSL International consultancy, and... Whoopee! The results, which refer only to job-offers which are advertised in UK national journals, are summarised in the table alongside. First, the number of posts offered in eight broad types of work has been up by 11 per cent. The "Others" category which sweeps together such people as buyers, company legal advisers, economists and variegated consultants. Each opening is counted as one, by the way, no

matter how many lines the advertisement for it occupies. Next comes the annual total, which is broken down below into the quarterly tallies.

As for the MSL, it is rising, albeit from much the low recorded since MSL began its three-monthly

advertised demand. The back, however, is not only the increased total which provides encouragement, but is to be found in the separate types of work above it.

What prompted my previous scepticism about a sustained rise was that the small upturn shown

by the September figures was fuelled by year-on-year increases in only one of the eight work categories: marketing, and computing. All the others were sliding downwards.

Now, happily, the position has been reversed. Six of the rise are only sinking, of which

production has plummeted to only about a quarter of the record high of 7,589 which it reached in 1990. There is less gloom in the still falling figures for personnel shown by the table, which probably underestimate the true strength of demand.

That is, unlike other categories, in which national journals checked by MSL are the standard medium for advertising executive-level vacancies - most openings in personnel are offered through the professional press.

Moreover, there are further heartening signs in the separate counts MSL makes of demand in four particular industrial sectors. In 1993, the year on their figures, the increase of the increases was just over 8 per cent. 774 jobs in energy-related industries, compared with 17 in 1992.

579 posts in what is termed "food, drink and tobacco", but in the interests of political correctness has been reduced to "food and drink".

Retailing is better with a 10 per cent rise, though only 11 openings in total. Of the

lot, the high-tech field which leapt by 83 per cent to 1,847.

On the whole, therefore, it looks as though my pessimism will be bringing you cheerier news than I have done this past half-decade. Nevertheless, while it's to be hoped that demand will again plumb such depths, I doubt that it will ever again rise to the 40,202 tally of 1988. My suspicion is that, in the at least, executive employment has undergone

and permanent shrinkage, whose ramifications will be far-reaching. One close observer who agrees - seeing housing and pensions, particularly, as likely to feel the effects - is Jack Daniels. He is director of the careers service at the University of Andrews, and over the years the Jobs column has come to regard him as Britain's foremost salesman of services of graduates.

The reason is that, although his ancient university has the disadvantages of being small and the beaten track except for golfers, its degree-winners have consistently done better in the

jobs market than those of the great majority of the other UK universities. But he tells me that Andrews's consistent success conceals radical changes in the pattern of graduate recruitment.

One of them is that short-term contracts, often of only a year, are fast replacing the open-ended employment that used to be the rule. Meanwhile degree-winners have less chance of any job with a big organisation straight after university. Instead they are increasingly having to make their way in the world for a couple of years on their own resources, since fewer and fewer employers will consider them until they have already had work experience.

"That means a drop, not just in the number joining pensions schemes in their early 20s, but in the number with the steady income expectations needed for a mortgage," said Mr Daniels. "So there might be a trend away from home-ownership in favour of rented accommodation, and what effects might that have on the housing market?"

The Jobs column groaned inwardly... thinking of the house that it will need to sell on moving out of London.

Michael Dixon

Type of work	1993	1992	1991	1990	1989
	Posts	Change	Posts	Change	Posts
	advised	from 1992	advised	from 1991	advised
Research & development	1,304	+ 2.5	1,272	-26.6	1,733
Sales & marketing	3,574	+44.2	2,478	+12.9	2,194
Production	1,962	-11.4	2,215	-16.2	2,642
Accounting	2,855	+ 3.7	2,802	-19.6	3,238
Computing	1,446	+39.7	1,035	+ 1.7	1,018
General management	950	+10.9	857	-12.2	976
Personnel	363	- 6.2	387	- 4.7	406
Others	3,855	+ 6.6	3,550	- 7.0	3,817
<b>Total</b>	<b>16,309</b>	<b>+13.3</b>	<b>14,386</b>	<b>-10.2</b>	<b>16,024</b>
Jan-March	3,955	- 2.5	4,058	-11.2	4,572
April-June	4,007	- 0.4	4,023	- 5.0	4,235
July-Sept	4,623	+36.8	3,379	- 8.9	3,630
Oct-Dec	3,724	+28.8	2,936	-18.1	3,587

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If you feel you have the necessary qualifications, please write enclosing a full CV and outlining present salary to John Glover, Assistant General Manager - Human Resources, Moscow Narodny Bank Limited, 81 King William Street, London EC4P 4JS.

## Moscow Narodny Bank Limited

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Also, we are seeking a Foreign Exchange Trader to augment our existing spot and forward dealing team. This position is likely to appeal to traders who, although well versed in the technical aspects of foreign exchange, have had less than three years trading experience. Success in this position will provide the opportunity for speedy advancement within the dealing team.

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## London Stock Exchange Supervision

The newly formed Supervision Department (London Stock Exchange (LSE) and Service Companies, within the Securities and Investments Board (SIB), is responsible for the development of standards of regulation and investor protection within the LSE and companies providing services to the markets and for the subsequent monitoring of their success in achieving these standards.

SIB wishes to appoint individuals at both a senior and junior level for roles which will include:

- Vetting the LSE's and Service Companies' regulatory objectives and plans
- Developing articulate standards for the Exchange and Service Companies to apply in regulating their members/participants
- Monitoring the application of these standards in practice and providing prompt feedback to them on the results
- Consulting with other departments within SIB on implementing EC Directives and tracking major enforcement cases

At the senior level, the successful applicant will plan and progress the Department's programme. There will be particular responsibility for on-site monitoring both at the Exchange and Service Companies. The junior appointee will assist in all areas and will be specifically responsible for the continuing work on notification regulations.

Typically the roles will include: establishing effective working relationships with staff at the Exchange and Service Companies; and within SIB; consultations with specialists within the LSE and companies providing services to the markets and for the subsequent monitoring of their success in achieving these standards.

Applicants for both positions should be educated to degree standard, possibly with a professional qualification (law, accountancy, securities industry diploma). At the senior level a City background is essential as is familiarity with regulatory compliance issues such as the regulations for quoting and reporting on SEAQ, SEAIQ and SEATS; the best execution and best advantage rules; the transparency regime and procedures for settlement by Tullett.

At the junior end, applicants should have at least three years work experience preferably in financial services. However, applicants with a first class record of achievement in other industries are welcomed. Common sense, excellent written and communication skills, diplomacy and adaptability are key factors at all levels.

Applicants should in the first instance contact Anna Williams to request an information pack at Michael Page City, Page House, 39-41 Parker Street, London WC2B 3LH or telephone her on 011 831 2000.

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## TOP OPPORTUNITIES

### SENIOR POSITIONS IN GENERAL MANAGEMENT

#### Senior Market Manager Southern European Region

The Grundfos Group is seeking a Senior Market Manager at the Vice President level for Southern Europe to start May 1, 1994. Suitable candidates to represent Grundfos must have comprehensive international business experience and profound insight into Southern European culture. They will speak English and at least one of the following languages: French, Italian, or Spanish.

With reference to the Regional Manager, the Senior Market Manager will be responsible for implementation of all marketing activities in the region, for bringing new products to market, for key accounts, for overall market coordination with the other European regions. Suitable candidates must have a high technical or business education, a proven record of success (preferably in the region), and high leadership and management skills.

Competitive salary package and comprehensive benefits.  
The Grundfos Group headquarters in Bjerringbro, Denmark.  
Travel: Approx. 100 days annually.

#### General Manager Grundfos Gulf Distribution Ltd.

The Grundfos Group is seeking a new General Manager for Grundfos Gulf Distribution Ltd. to start May 1, 1994, for a period of four to five years. With reference to the Board of Grundfos Distribution Ltd., the General Manager is responsible for production, sales and marketing of Grundfos products in the Middle East.

The General Manager must have comprehensive sales and marketing experience in the East. They will speak English fluently. Previous experience in pump manufacturing and/or distribution would be a definite advantage. The right candidate will be a successful entrepreneur with a technical background, a creative, all-round managerial experience, and a proven ability to lead a team of 40 people.

Competitive salary package and comprehensive benefits.  
Domicile: Dubai, United Arab Emirates.  
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#### Area Manager China Grundfos Office, Shanghai

The Grundfos Group is seeking an Area Manager to head the new Grundfos representative office in Shanghai, China. Grundfos expects the right candidate to later become General Manager of a joint venture or wholly owned foreign company in China. With reference to the Grundfos Asian Pacific Regional Director, the Area Manager will lead the Grundfos office and establish Grundfos as a respected producer and supplier of pumps and pumping systems in China.

Suitable candidates must have experience in China or Asia, speak Mandarin, and must be prepared to spend 100% of the year in the People's Republic of China. They will have a higher technical or business education, strong leadership qualities, and a sense of commitment tempered with respect for the culture of the host country. The right candidate will also have a record of achievement in a competitive market for pumps and products.

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Applications, including a comprehensive curriculum vitae, must be sent by February 4, 1994 to: Peter Bidstrup, Group Human Resource Director, Grundfos Management, DK-8850 Bjerringbro, Denmark. Telephone number: (45) 86 68 14 00. Fax number: (45) 86 68 11 24. For further information, please call Peter Bidstrup at Grundfos Singapore, telephone (65) 434 11 24.

#### The Grundfos Group

The Grundfos Group is one of the world's leading pump manufacturers, producing seven million pump units annually. Today, the Group is represented by 46 companies in 29 countries. Grundfos was founded in 1945 and company headquarters are located in Bjerringbro, Denmark. Grundfos employs 6,000 people and company turnover was DKK 4,558 million in 1992/93.

Grundfos produces a variety of pumps for heating circulation, water supply and industrial purposes. In addition, Grundfos manufactures electric motors for pumps and advanced electronic controls for pump systems. The company has its own facilities for electronics production and is respected around the world for its leading position in research and development.



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#### SECRETARY GENERAL Brussels

The European Foundation for Quality Management (EFQM) was founded in 1988 in the Netherlands by fourteen of the largest European companies. Promoting Total Quality Management (TQM) in Europe, the mission is to support the management of European Companies in making quality the key strategy for achieving global competitive advantage. Nearly 100 organisations in Europe are members and membership is expected to increase substantially in the next few years. Today, the Governing Committee of twenty Member Presidents determines the strategy of EFQM, and, through an Executive Committee, directs the Secretary General, who acts as both Ambassador for Total Quality Management and EFQM and effectively as the 'face' of the Foundation.

The present Secretary General relinquishes his post in the spring of 1994 and applications are invited from European Nationals with a record of achievement in management at a senior level in a multinational environment.

Fluency in English, the working language, and at least one other major European language is required, together with a genuine enthusiasm for promoting business excellence. Some direct experience of quality management is desirable, and candidates above 40 years of age are more likely to have the desired breadth of experience and the personal ability to communicate effectively with Company Presidents and CEOs. Compensation is negotiable in the range of 5- to 7-million Belgian francs, according to experience.

submit a full c.v.

Freyja Williams, EFQM, 19 Avenue des Pleiades, Brussels, Belgium  
Tel: +322-775-3511, Fax: +322-779-1237, by 2nd February, 1994

#### BANKING FINANCE & GENERAL APPOINTMENTS

##### JOSLIN ROWE

##### FINANCIAL PROCESSING MANAGER

To £40,000

Premier City-based investment bank currently seeks a qualified accountant (aged 28-35) with people and systems management experience, ideally gained in the financial sector. The successful candidate will head a department responsible for the production of all financial control reports, fixed asset records and systems development. Knowledge of MIDAS, modelling systems and extensive PC and LAN experience is an advantage.

##### ASSISTANT MANAGER, AUDIT

Leading European audit firm currently seeks an ACA with 2-3 years audit experience from a financial institutions background. Duties will include effectively monitoring compliance procedures, preparation of audit reports, review of internal control systems and supervision of a small team. A knowledge of a wide range of capital markets products combined with strong communication skills essential.

##### DERIVATIVES STRUCTURING

To £35,000

An excellent opportunity to join a derivatives structuring team within a leading international bank. This is a demanding role which involves identifying individual client requirements and structuring the deal accordingly. The position requires graduate calibre individuals with 2 to 3 years' relevant market experience gained within a derivatives marketing background or structured dealing environment. Good swaps knowledge and a dynamic and personable personality essential.

##### SENIOR CREDIT ANALYST

£30,000

A suitably senior and experienced analyst is required by a City based international bank to undertake the review of all credit applications sent by overseas offices/branches. Principal duties will include drafting of credit reports, presentations, attendance on the credit committee and submission of conclusions. Candidates will preferably be educated to degree/ACB standard, aged early 30s, and possess strong PC skills. Fluency in a European language advantageous.

TEL: 071 638 5286 FAX: 071 382 9417

Joslin Rowe Associates Ltd Bell Court House 21 Blomfield Street London EC1A 1AN  
A MEMBER OF THE BOUTER GROUP

## ROYAL DOULTON

# Marketing Director

### Six figure package

Royal Doulton is the world's largest manufacturer and distributor of premium ceramic tableware and giftware.

Its brands include Royal Crown Derby, Minton, Royal Albert and Royal Doulton itself, all internationally recognised for high quality manufacture and distinctive design.

Annual sales exceed £100 million, over half of them in export markets, particularly in North America and Asia Pacific, and one third through Royal Doulton's own international retail operations. Royal Doulton is an independent company, recently listed on the London Stock Exchange.

A Marketing Director of the highest calibre is required at the company's Staffordshire headquarters to draw together the talents of the company's design, product development, brand management and marketing teams worldwide, and to develop and implement marketing strategies and programmes for Royal Doulton's brands and

products. He or she will sit on the main Board and will report to the Chief Executive. This will be a position of considerable standing within the international china industry.

The ideal candidate will be educated to a good degree level, possibly with an MBA, and will have extensive international experience in the marketing, merchandising or retailing of consumer or fashion products. He or she will combine a clear intellect and sound judgment with visual and entrepreneurial flair and an understanding of consumer motivation and markets.

A substantial remuneration package is envisaged, including share options, incentive bonus, relocation allowance and family health insurance.

TO APPLY, PLEASE WRITE OR FAX IN CONFIDENCE:

STUART LYONS, EXECUTIVE, ROYAL DOULTON PLC, MINTON HOUSE, LONDON ROAD, STOKE-ON-TRENT ST4 7QD. FACSIMILE: 0782 292099.

## Investment Banking Career Opportunities

The Bank of Nova Scotia has openings for experienced personnel in the following areas:-

#### Money Market

**Money Market Senior Trader** - a graduate with a minimum of 5 years experience is required to head the European Currency Interest Desk. A sound profitable experience of integrating cash and balance sheet products is an essential requirement for this position.

#### Treasury Services

**Senior Treasury Services Officer** - a graduate with 3 years experience with a major bank, selling treasury products (Forex, Money Market etc) with their own client base. A European language would be an advantage.

#### Interest Rate & Currency Swaps and Options Origination, Sales and Trading

**Interest Rate Derivative Trader** - to swap books in continental currencies, the candidate, a graduate, have a minimum of 2/3 years experience, with an active trading book.

**Interest Rate Derivative Marketing** - a graduate, fluent in German, with 2/3 years experience in an active trading environment.

**Trader, Precious Metals Options** - the candidate, a graduate, will be required to set up and establish a Precious Metals, Options desk. Previous experience in commodity derivatives is essential.

An attractive compensation package, commensurate with experience will be offered to successful candidates. Please forward your resume in the strictest confidence to Gillian Harris, Senior Manager, Personnel, The Bank of Nova Scotia, Scotia House, 11 Finsbury Square, London EC2A 1BB.



**Scotiabank**

#### DERIVATIVE FUND MANAGER

A subsidiary of the Edmond de Rothschild Group is looking to add to an experienced fund management team which specialises in the use of derivatives.

Applicants should have 3-5 years experience either in derivatives trading, or in the advising and managing of derivatives in portfolio.

Candidates with computer skills and a good degree, ideally in a numerate subject, will be preferred.

The company offers a competitive remuneration package with a full range of benefits.

Please send: full C.V. to  
The Managing Director,  
Edmond de Rothschild  
Fund Management Limited,  
10 Upper St. Martin's Lane,  
London WC2H 9EA

#### SPOT F.X.

Opportunity exists at a major international bank for a senior foreign exchange dealer. A minimum of 3 years experience trading a successful \$/DEM or \$/JPY book is essential. Candidates aged between 26 & 31 will be currently trading at a recognised interbank player, with a consistent level of profit.

#### FOREIGN F.X.

Specialist foreign exchange dealers with expertise acquired in Forward European currencies are sought by a first class international bank. Candidates aged 25 to 30 will have a stable career history and must be proficient with arbitrage techniques. Knowledge of FRA's, Futures & FXA's would be advantageous.

#### INTEREST RATE OPTIONS

Due to expansion a leading US bank wishes to appoint a dealer with 5 years current experience, to enhance its trading/marketing capability in F.X. derivatives. Candidates will be graduates in the age range of 27 to 33 and should be conversant in the delivery and execution of exchange-traded & OTC Options.

#### CORPORATE F.X.

Treasury services desk within a respected European bank requires an experienced F.X. sales dealer. The role will involve marketing to the corporate and servicing clients, to include fund managers, the full range of treasury products. Graduates aged 25 to 30 preferred. Fluency in other European languages an asset of advantage benefit.

#### FOREX Selection

Treasury Recruitment

Please call Jane Hampton or write in confidence quoting ref: JH1881.

Tel: 071-369 0369.

36 Cornhill,

London, EC3V 3PG.

Reuters: 1077

Bankers Trust is a leader in international money markets and in derivative product development. With over \$US 160 billion under management, it is also a major player in the funds management business.

## Senior Economist Funds Management

### City

We are seeking a Senior European Economist/Strategist to be part of a small team working on allocation in European markets.

Qualified in economics to at least degree level with excellent analytical skills, you will have proven ability in applying

these skills to the assessment of trading opportunities in European markets. Particular experience with equity markets would be advantageous.

The person seeking will be a key player in the allocation decision making process, and the rewards will match the demands of such a role. The successful applicant can expect a highly attractive salary and benefit package and substantial bonus potential.

To apply please write in confidence, with full career details to: Ms Joanne Hogan, Personnel Manager, Bankers Trust Company, 1 Appold Street, London EC2A 2HE.

**Bankers Trust**  
EXCEPTIONAL PEOPLE  
ARE OUR FUTURE.



### P F M

Since its inception in 1979, Personal Financial Management Limited has become established at the forefront of sophisticated financial planning and investment management services. The following newly created positions now exist within PFM in its next phase of growth:-

#### MARKETING MANAGER UNITED KINGDOM

PFM wish to appoint an experienced Marketing Manager to promote and develop its products and services in the UK. Candidates will be required to have a sound knowledge of the financial services industry, covering banking, investment management, including Unit Trusts, and the ability to develop a marketing plan.

#### MARKETING / INVESTMENT MANAGERS MIDDLE EAST

PFM seek two individuals to be responsible for the promotion of PFM throughout the Middle East. Their target market is both institutions and high net worth individuals. Candidates must have an excellent understanding of investment instruments and financial services and will be based in the region. Familiarity with Middle East cultures will be important.

Candidates should enjoy working both on their own initiative and as part of a highly committed team. Organisation, flexibility and the confidence in your ability to communicate at every level are essential qualities. If you have the attributes we seek then our client offers a highly competitive remuneration package (including relocation for the Middle East positions) together with excellent opportunities for career development. For further information, please write to Martin Symon at the address below:-

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP Telephone 071-623 1111 Facsimile 071-626 2222

JONATHAN WREN EXECUTIVE

### U.S. EQUITY RESEARCH ANALYST EMERGING GROWTH COMPANIES

#### Competitive Package

London

Oakes, Fitzwilliams & Co. Limited is a small London-based investment bank specialising in financing emerging growth companies located in the US. We will be hiring an equity analyst to produce comprehensive research on a portfolio of corporate clients.

#### The Position

- Organising a research team in order to produce a steady flow of research and updates on portfolio companies and maintain contact with them through company visits.
- Presenting research to institutional investors in conjunction with our sales team.
- Participating in deal selection and due diligence.
- Contributing to Oakes, Fitzwilliams's internal thinking on equity and identifying investment opportunities.

#### The Candidate

- Good degree and possibly post-graduate qualification.
- At least three years of equity market experience in research, sales, portfolio management or corporate finance, preferably in the emerging growth sector.
- A firm grasp of balance sheet, cash flow, corporate finance and financial modelling concepts.
- Strong analytical ability, and written and oral presentation skills.
- A self-starter able to work in a small, high-performance team.

Please send a CV and cover letter in confidence to:

Zolt Jessop  
Oakes, Fitzwilliams & Co. Limited  
Byron  
7-9 St. James's  
London SW1A 1EE

**OAKES, FITZWILLIAMS & CO. LIMITED**  
Member of the SFA and the London Stock Exchange

### EQUITY DERIVATIVES

We are currently looking to place top quality candidates in the Equity Derivative markets. Our clients are leading institutions who wish to expand their sales/trading/structuring and risk management activities in this area. Specific requirements include:-

Head of Equity Derivatives Desk	£100,000+
Senior Warrants Trader	£50-60,000
Equity Derivatives Salesperson	£45-55,000
Equity Derivative Traders	£45-55,000
Analysts/Marketing Equity Derivatives	£Neg.

For a confidential discussion please call Philip Ashby-Rudd on 071-623 1111 or 071-271 4552 (Evenings).

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP Tel. 071-623 1111 Fax. 071-626 2222

JONATHAN WREN EXECUTIVE

### FG Inversiones Bursátiles SA

#### A MADRID BASED FRENCH SPEAKING SENIOR EQUITY SALES APPOINTMENT

FG, the leading independent Madrid stockbroking house, is seeking to expand its equity sales activities with the French speaking institutional investment community. FG already has a considerable reputation among the French investment markets for the quality of its Spanish equity research and for the efficiency of its trading teams and administrative back-up.

Applications are invited from candidates who will already have in-depth experience in selling investment concepts in equities to institutional investors. Clearly a particular knowledge of the Spanish stock markets would be extremely helpful though it will be expected that such detailed knowledge could be grasped rapidly by the right individual. Naturally candidates would be expected to be able to interpret in depth research and to be lucid and fluent in explaining the underlying investment criteria.

The appointment is based in Madrid, and whilst fluency in French and English must be considered essential a working knowledge of Spanish would be a great advantage. It is anticipated, however, that the ideal candidate would rapidly achieve the necessary additional linguistic skills.

A substantial remuneration package will be available for the selected candidate. In the first instance, apply in writing with a copy of your CV to:

Ricardo Mandelbaum  
FG Inversiones Bursátiles  
Jose Ortega y Gasset, 29  
Madrid  
Spain

### FINANCIAL ANALYST

#### SPECIALIST IN INTERNATIONAL ANALYSIS

The Federal Reserve Bank of San Francisco is seeking a senior financial analyst with extensive experience analyzing Pacific Rim economies and banking systems. Duties include researching, analyzing and writing reports on the economic condition and banking system of Pacific Rim countries as well as the international banking organizations based in these countries. The successful candidate must have specialized experience with Pacific Rim economies at a senior rating agency or in a similar field. A degree in economics, finance or a similar discipline is required, with professional or post-graduate credentials. Strong communication skills are a must. Excellent qualifications desired include familiarity with foreign banking regulations and accounting systems and PC proficiency.

Federal Reserve Bank of San Francisco

Personnel Department  
P.O. Box 7782  
San Francisco, CA 94120  
Fax 974-3340  
EQU/AA

An opportunity to develop your European client base within an innovative and expanding team

## Private Placements

Excellent salary + bonus + banking benefits  
Based in London with frequent travel abroad

Nomura International is the European arm of one of the world's major investment banking groups.

A strong player in Structured Finance and Private Placements - including Property Securitisation, Emerging Markets and Subordinated Transactions - we are offering an outstanding opportunity to a proven professional who has good contacts with European Fixed Interest investors. These contacts - which will form the bedrock of your client base - will be with European institutional investors.

A numerate graduate with an impressive track record in research and building client relationships, you must have experience in at least one of the following:

- Private placements of high yielding subordinated debt.

- Securitised debt.
- Structured MTN's.

At Nomura, working with an open brief and an unusual degree of commercial freedom, you will be involved in setting up innovative structures in response to client demands and promoting existing products to exploit new opportunities for career progression. This is a role which is second to none.

If you think you have the credentials, the confidence and the initiative to take on the challenge, please write with your CV to Pippa Wilkinson, Human Resources, Nomura International plc, Nomura House, 1 St Martin's Lane, London EC4A 3DF.

**NOMURA**

## FUND MANAGER

### MIDDLE EAST/NORTH AFRICA/TURKEY

In order to maintain our very high standards and continue our expansion, we are currently seeking to appoint a Fund Manager to develop our Middle East/North Africa/Turkey desk.

The successful candidate, educated to degree level will have had three or seven years' experience within a major financial institution in North America or Europe.

Applicants must have relevant experience in the region and a good command of Arabic and French. A strong network of local contacts is of importance.

The position requires a skilled and articulate individual with good presentation and analytical abilities, who enjoys working with and becoming an essential part of a dedicated team.

Interested applicants should forward a comprehensive curriculum vitae to:

Lisa Maddox  
Foreign & Colonial Emerging Markets Limited  
Exchange House, Primrose Street  
London EC2A 2NY

**Foreign & Colonial  
EMERGING MARKETS LIMITED**

(Member of IMRO)

### POSTIPANKKI LONDON BRANCH

POSTIPANKKI is a major Finnish commercial bank which has a strong focus on its Global Treasury activities. In order to complement our active London branch Treasury we wish to recruit two additional persons:

#### SPOT FOREIGN EXCHANGE DEALER

We require candidates with a minimum of 3 years active trading experience, particularly of EMS/Cross-currencies. A specialisation in Sterling/Mark could be particularly useful. The preferred age range is 25-30.

#### TRAINEE/JUNIOR FOREIGN EXCHANGE DEALER

We will give full training in all of the Scandinavian currencies. Some knowledge of these would be useful, but is not essential. Applicants should have a good general knowledge of Foreign Exchange, gained within a bank either as a trainee/junior dealer in a trading support role and are likely to be aged 20-23.

The Bank offers competitive remuneration packages, including a full range of banking benefits.

Interested candidates should submit written applications in confidence to:

Rod McLennan, Assistant General Manager,  
Postipankki Ltd., 10-12 Little Trinity Lane, London EC4V 2AA

### Singer & Friedlander Limited

#### OPPORTUNITIES FOR LENDING BANKERS IN BIRMINGHAM, BRISTOL AND LEEDS

Singer & Friedlander is an old established merchant bank based in London with regional offices in major cities in England. Opportunities currently exist for young lending bankers in Birmingham, Bristol and Leeds offices.

Applicants should be graduates, possibly with a professional qualification, aged in their early to mid-20s. Previous banking experience is desirable but not essential. Duties will centre around the development and management of a portfolio of loans established, medium sized companies.

Applicants should be numerate, articulate, enthusiastic, motivated and keen to work as a member of a small, highly professional team. Salary and benefits will be commensurate with qualification and experience.

Applicants should send their details, including a full CV to: John Gregory, Director, Singer & Friedlander Limited, 11 Calthorpe Road, Birmingham, B15 1TL. Any preference regarding location should be stated in the application.

## Economists

London and Edinburgh

The Royal Bank of Scotland is undergoing a period of dramatic and exciting change, re-evaluating and enhancing all areas of the business in a drive to become the best performing financial services group in the UK.

Within this framework of change, the Economics Office has an increasingly influential role to play in providing relevant, timely and policy related advice to senior management on a wide range of micro, macro and international issues. We have a number of opportunities in both Edinburgh and London for highly motivated, experienced and practical economists to further the work of this key department.

Given a growing emphasis on micro analysis, a Business Economics Unit was recently established and at least one opening exists within this expanding area. The macro side includes domestic and international analysis of issues related to the Bank's activities and interests. All applicants must be able to demonstrate relevant experience within applied, preferably business/commercial, economics

environment and must possess strong interpersonal skills as well as excellent report writing ability. Regular travel within the UK will be required. Energy sector expertise is essential for one of the posts together with other micro analytical and modelling skills.

As well as giving you the opportunity to join one of the UK's most progressive financial services groups, we can also offer a fully competitive salary commensurate with your experience together with a full range of banking benefits.

If you would like to contribute to this interesting and rewarding area of the Bank, please send a full CV, indicating preference on work location and whether you consider yourself better suited to macro or micro work, to Beverley Smith, Personnel Officer, The Royal Bank of Scotland plc, PO Box 31, 42 St Andrew Square, Edinburgh, EH2 2YE. The closing date for applications is 31 January 1994.

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## European Sales Managers

Major Account Management

To £50,000 + Benefits

Europe

Advanced technology based supplier requires outstanding business developers to maximise penetration and implementation in key territories throughout Europe from London base.

### THE COMPANY

- Leading edge financial services business. Substantial and prestigious backing.
- Products distributed worldwide. London based with international presence.
- Young, dynamic, multinational culture. Strong brand and quality image.

### THE POSITION

- Manage negotiations and service client relationships in key territories.
- Run product demonstrations and interface with London office. Liaise with senior executives, lawyers and key suppliers.
- Manage client implementation requirements.

- Autonomous role requiring extensive travel and dedication to clients.

### QUALIFICATIONS

- Demonstrate success in negotiating high value projects and managing complex sales with long lead times.
- Strongly self-motivated with effective, culturally sensitive communication skills. European expertise and second language desirable.
- Flexible, committed and dynamic. Comfortable with high technology products, especially in the financial sector.

Please send full cv, stating salary. Ref N0223FT  
NBS, 54 Jermya Street, London SW1V 1

London 071 493 6392

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# CJA

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Fax: 071-256 8501

Opportunity to join a respected, growing team and to make a name as an analyst



## QUANTITATIVE/BOND ANALYSIS

CITY OF LONDON

£45,000-£65,000 + BONUS

MAJOR INTERNATIONAL SECURITIES HOUSE

Our client's Bond research team works from the Bond floor, advises clients world-wide and works closely with Bond sales, trading and syndication. The emphasis will be on portfolio analysis and the development of trading strategies and arbitrage/option pricing models but the brief is open and this is an interesting opportunity to develop personally and to research new ideas. We seek a mathematician (Mathematics degree/PhD) with the ability to think conceptually, excellent communication skills and experience working with complex models in a similar team in a leading house. Initial remuneration negotiable £45,000-£65,000 + bonus and full benefits package. Please write in confidence under reference QBA4939/FT to the Managing Director, CJA.

## REGISTRAR UNIT TRUST MANAGEMENT

Sheffield

HSBC Asset Management is the international investment management business of the HSBC Group, one of the world's largest banking organisations. With global funds under management in excess of US\$28 billion, we offer a full range of investment products for institutional and retail clients in all major financial centres.

Our retail Operations Centre in Sheffield supports our £2.2 billion UK Unit Trust business, providing a customer-focused administration service to all our investors and distributors.

As Registrar, you will be responsible for the maintenance of the unit trust register. You will manage a team of around 20 people, maintaining the accuracy of the Register and ensuring that regulations

are adhered to. You will also have a wider role as active member of the Centre's management team.

You should be an experienced registrar in a unit trust or related business, with an expert knowledge of law and industry practices. Team leadership and management skills are key to the role. Accordingly we are looking for someone with a proven ability to develop people's skills and a customer-aware, service-orientated culture.

We offer an attractive salary, together with benefits including mortgage subsidy, BUPA, company pension and car, plus relocation assistance where appropriate.

Please send your cv to The Personnel Manager, HSBC Asset Management Limited, 7 Devonshire Square, London EC2M 4HU.



**HSBC Asset Management Limited**

member HSBC group

## GLOBAL FIXED INCOME MANAGER/RESEARCH

Rogge Global Partners plc, incorporated in 1985, specialises exclusively in global fixed income management with assets under management of just below US\$1.5 billion. Head office in London; marketing offices in the U.S. where all clients are based.

As a result of continued growth, a new opportunity has arisen for a young person to join a small team of portfolio managers. Responsibilities include researching global income markets, contributing to the allocation process, monitoring portfolio performance and, in time, contributing to new business presentations.

Candidates must fulfil the following criteria:

- 1) Aged 24-30 with a good graduate qualification
- 2) Experience in economics and financial capital markets and computer literate
- 3) Capable of developing independent research
- 4) Able to communicate with colleagues and brokers
- 5) Confident and dynamic, with a desire to become a shareholder in the company

Please send CV's to:

Tracy Mitchell  
Rogge Global Partners plc  
5-6 St Andrew's Hill  
London EC4Y 5BY

## THE TOP OPPORTUNITIES SECTION

Advertise your senior management positions in Europe's business leadership.

Information please

Clare 071 4027

Philip Wrigley on 071 873 3351

## TRADE FINANCE

A major European commercial bank is seeking to recruit a Trade Finance Executive to assist in the creation and development of a trade finance unit to be established in London.

The successful candidate will have 5 years' experience in all aspects of trade finance and detailed knowledge of the forfait market with operational and management experience, as well as making an effective contribution to the establishment of the unit and thereafter the development of these lines of business.

Although based in London, the position will involve liaison with head office and the rest of the bank's extensive network of branches and representative offices and will involve some travel. Knowledge of European languages, particularly Spanish, would be a distinct advantage.

Salary, including banking benefits, will be negotiable.

Reply by strictest confidence to:

Box B1978, Financial Times,  
One Southwark Bridge, London SE1 9HL

## CAREER OPPORTUNITIES

A successful group of off-shore companies serving clients in the MEDITERRANEAN for the past twenty-five years has dynamic growth opportunities to support its planned expansion.

We wish to recruit professional staff for LIMASSOL, CYPRUS (Corporate Headquarters) and other offices in developing new markets and provide existing clients with an expanded range of services.

Attractive tax, salary and generous benefits package available.

**Marketing:** Represent group as a point of contact with clients and assist in the development of new markets while maintaining sound relations with existing clients. Introduce professional marketing materials and achieve planned objectives. Regular travel to Europe and Africa essential. MBA degree in marketing or a field with five years' marketing success in the Middle East.

**Group Finance:** Management on financial and investment strategies, including establishment and monitoring of financial policies and operating unit budgets to compliance with Government requirements. From time to time will conduct customised financial training programs for regional clients. Qualified Chartered Accountants or CPA with minimum ten years experience.

**Training Consultant:** Evaluate existing training and consultancy services and develop training programs to meet client specifications. Assist management in planning scheduled seminars, identify course providers with a proven record of results. Establish a library of audio-visual aids and equipment to support expansion of training services. Five to ten years experience in training services development and conduct preferably in the Middle East.

Applicants should apply in writing to:

The Personnel Manager  
PO Box 7389  
Limassol  
CYPRUS

## HEAD OF CREDIT AND MARKETING

An international bank with a strong base in Asia is looking for a highly motivated and suitably qualified individual to head the credit and marketing team in its London Branch. Reporting directly to the General Manager the successful candidate should possess the following qualifications:

- Minimum of 10 years Corporate banking experience preferably in a team leader role.
- formal credit training with reputable financial institutions
- sound knowledge in real estate lending and finance with basic understanding of Syndications and Capital market.
- Leadership qualities and good interpersonal skills.

Remuneration and fringe benefits will be competitive and commensurate with qualifications and experience.

Interested and suitably qualified candidates are invited to send their curriculum vitae, including details of work experience, qualifications, present and expected salary, Contact telephone numbers and a recent passport sized photograph by 31 January 1994 to Box B1985, Financial Times, One Southwark Bridge, London SE1 9HL.

## PRIVATE CLIENT

FUND

MANAGEMENT



Singer & Friedlander  
Investment Management  
Limited

Singer & Friedlander Investment Management Limited is one of the UK's leading managers of discretionary private client portfolios.

An opportunity has now arisen for an Investment Manager to join our Private Client team in London.

Candidates should be educated to degree standard and preferably have a professional qualification. They should have at least five years relevant experience.

Remuneration is negotiable. Interested candidates should apply, in the first instance, in writing to:

The Personnel Director,  
Singer & Friedlander Investment  
Management Limited,  
21 New Street,  
Bishopsgate,  
London EC2M 4HR.

## Standard Chartered

### Senior Manager

Syndications : Trade Related

#### Attractive Package

Exciting opportunity for experienced, dynamic banker to spearhead mandate winning in non-CEB countries.

#### THE COMPANY

- Standard Chartered Bank Group has an unrivalled global network of offices. Particularly strong in Asia-Pacific, Africa and the Middle East.
- Products include trade finance, corporate banking, treasury, project finance, private banking.
- Clear strategy and business focus.

#### THE POSITION

- Develop business opportunities in non-OECD countries. Full of bank's extensive global presence.
- Report to Head of Western Hemisphere Syndications. Part of successful growing team.



- Top level liaison with syndications teams of leading city institutions.

#### QUALIFICATIONS

- Ideally graduate and/or ACIB qualified. Probably 30 plus years old.
- Proven selling skills and impressive background in trade finance or related area.
- First class communicator. Committed, motivated, enthusiastic player.

Please send full cv, stating salary, ref N0220 NBS, 54 Jernyn Street, London SW1Y 6LN

London 071 493 6992  
Aberdeen • Birmingham • Bristol • Edinburgh  
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Standard Chartered Bank Ltd  
a Nonmen Bank International  
associated company

NBS

## American Investment Bank

### Derivative Product Structurer

Our client is a premier investment bank with an unrivalled reputation for innovation and creativity in global derivatives.

Growth and development in the derivative business and an increased sophistication in customer requirements have resulted in the need to recruit a young derivatives specialist to join the firm's liability risk trading team. He/she will assist in the development of derivative products for Japanese corporates and financial institutions in Europe. Initially the position will be London-based although an envisaged relocation to Tokyo will take place within 2 years.

Candidates must be fluent in both English and Japanese; applications from Japanese nationals are positively encouraged. He/she will be a graduate from a quantitative discipline educated to a high standard, with in-depth experience of derivative products and marketing to Japanese trading houses based in Europe. Ideally applicants will have at least 5 years' experience of working in Tokyo.

Rewards will include an excellent basic salary, bonus and the full range of banking benefits.

Interested candidates should contact Annabella Humphreys or Joe Thomas

Associates Ltd (Consultants in Recruitment) on 071-248 3653

write, sending a detailed Curriculum Vitae, to the address below.

All applications are treated in the strictest confidence.

76, Wading Street,  
London EC4M 9BJ

BBM  
ASSOCIATES LTD

Tel: 071-248 1881  
Fax: 071-248 2814

## TRANSACTION MANAGEMENT GLOBAL INVESTMENT BANK

LONDON

TO £60,000 + BENEFITS

A unique opportunity has arisen to join the Transaction Management Group of a pre-eminent full service global investment bank at senior level.

At the level of Associate Director, the position carries significant management responsibility. The successful candidate is likely to be a qualified lawyer, with at least 4 years' post qualification experience in the international capital markets gained in a leading City practice, or a transaction management professional with commensurate experience within a similar institution or major securities house.

The role involves the structuring, negotiation, documenting and execution of issues of debt securities, frequently with a derivative component, and public derivative products: liaising with clients, external legal advisers and other parties connected with the transactions, and co-ordinating with syndicate, marketing, treasury and risk management professionals.

Given the high level of client contact and the exacting standards set by the firm, excellent oral and written communication skills are essential.

In addition, a robust and outgoing personality is required. A knowledge of another European language would be helpful, but is not a prerequisite. The position carries a highly attractive salary and benefits package.

For further information please contact Deborah Williams on 071 379 3333 in complete confidence, or write to her at Robert Walters Associates, 25 Bedford Street, London WC2E 9HP, confidential fax: 071 915 8714.

ROBERT WALTERS ASSOCIATES

### TRADE FINANCE DESK MANAGER - MILAN

A European Bank is seeking to recruit a Trade Finance Desk Manager for its Milan Branch.

Based in Milan, the appointee will report to the Branch Marketing Manager and act in close coordination with the International Trade Finance Department in the Head Office, where he will attend a training programme. He will take responsibility for the development of Italian originated trade finance deals, export credits and project financings, both with and without Sace/Mediocredito intervention.

The successful applicant is likely to be aged 30 to 35, educated to degree level, fluent in Italian and English and with 3-5 years relevant experience with a first class bank or corporation. Knowledge of documentary credits and international payment techniques is a prerequisite.

The remuneration package will reflect the appointee's qualifications and experience.

Please send a comprehensive CV in confidence to:

Box B1982, Financial Times,  
One Southwark Bridge, London SE1 9HL

## Interest Rate Swaps Broker PARIS

Our client, a leading Paris based broker, is currently enhancing its highly rated swaps with the addition of an Interest Rate Swaps Broker. As one of the largest French broking houses, our client is fully committed to developing their presence and customer base in the UK. Based in Paris, the successful candidate will be operating within the London market on a wide range of major currencies and maturities.

Applicants of interest will have English as a first language, a minimum of 2-3 years relevant experience and a successful track record of deal execution. A knowledge of currency and/or structural swaps would be advantageous.

This is an excellent opportunity for a

motivated self starter to progress within the dynamic environment of a leading broker. A competitive remuneration package designed to attract high calibre candidates is available and will entirely reflect the quality of experience. Initial interviews will be held in London or Paris.

Interested applicants should telephone Gavin Starling on 071 831 2000 or write to him at Michael Page City, Page House, 39-41 Parker Street, London, WC2B 5LB, quoting reference number 176432. Alternatively, Paris based applicants should contact Jan Wels on 010 33 1 47 57 24 24 or write to him at

Michael Page City, 3 Boulevard Bineau 92594 Levallois-Perret, Paris.

Michael Page City  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

## Capital Markets Origination France and Belgium

London

£ Highly Attractive Package

Our client is recognised as one of the world's premier investment banks. They have achieved pre-eminence in the lead management of bond issues by governments, public agencies and private corporations. They seek to appoint an individual to broaden the origination of capital market products in France and Belgium covering primarily the State agencies.

Based in London, working as an integral member of a young and dynamic team that provides global coverage, you will market to the larger borrowers in France and Belgium, with an emphasis on primary international bond issues and private placements. However, you should have a versatile approach that allows you to expand the business to include the application of derivative products.

The ideal candidate, with a strong academic background, will be either a French national or speak the language fluently. With at least two

years experience in the French market, dealing with frequent issues, you should be a mature team player with flexibility to contribute to global business development; a knowledge of Italian or Spanish would be advantageous. In addition, you possess the ambition and confidence to succeed in a competitive environment. The role will involve regular visits to Europe.

This is an opportunity that offers genuine prospects for progression. For candidates of the highest calibre a competitive package, based on generous salary, a lucrative incentive scheme and banking benefits, will be awarded.

Interested applicants should contact Tim Smith on 071 831 2000 or write enclosing a full curriculum vitae to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LB, Fax 071 405 9649.

Michael Page City  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

## IMRO Supervision

The IMRO Supervision Department within the Securities and Investments Board (SIB) is recruiting a Project Leader who will be responsible for projects examining discrete aspects of IMRO activities. As a member of the supervision team and reporting to the Head of the Department, the specific areas of the role will include:

- Examining, analysing and making recommendations concerning specific aspects of IMRO's regulatory activities.
- Contributing to the overall supervision of IMRO by being alert to and sharing knowledge of IMRO's standards, methodology and future developments with members and other SIB colleagues.

Projects will be undertaken either by the project leader alone or with the assistance of other staff and will require substantial time 'on-site' at IMRO and occasionally in member firms. The successful applicant will be required to deal with IMRO staff at all levels and reports may be considered

Board level in both IMRO and SIB.

It is important that applicants have excellent communication skills, including interviewing, listening, oral reasoning and report writing. Business skills are equally essential and include project management, understanding of individual motivation and building, and the ability to analyse techniques such as critical path analysis, business statistics and sampling theory.

Candidates are likely to be degree holders possibly with an MBA or an accountancy qualification. They should have at least ten years post graduate experience possibly, though not necessarily, in financial services. It is likely that they currently hold an internal audit or compliance role in a regulated industry or perhaps be working as a consultant. A confident and mature approach is important.

In the first instance please contact Anna Williams to request information pack at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LB or telephone on 071 831 2000.

Michael Page City  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

## WORLD RENOWNED US INVESTMENT BANK

### Analyst Corporate Finance & Capital Markets

London

£ competitive package

Our client is a leading US investment bank. It is a major player in a number of fields including derivatives and capital markets products. As the competition for business has increased, our client's diverse product teams have been looking at and undertaking higher risk transactions. This strategy demands rigorous analytical and risk assessment techniques. A candidate exists to centrally analyse all proposed transactions for the product areas. An Associate level position has now arisen within this team.

Analysis in this role will involve not only looking at the financials, but broader considerations such as client strategy, structure of proposed deals and economic climate. The successful candidate will become an integral member of the deal team for whom they work and will participate in all relevant client meetings. The position provides a unique opportunity to learn in the successful individual is expected to work with all product areas within time.

Probably aged in his or her mid to late twenties, the ideal candidate will currently be performing an analytical role within a bank or have recently qualified as a Chartered Accountant. The successful individual will need commitment and enthusiasm, excellent interpersonal skills, a high degree of professionalism and strong analytical skills in order to maintain the team's reputation for excellence with the product. Additionally, experience of working with German corporates would be advantageous.

This is an exceptional opportunity for ambitious individuals who are looking for a dynamic environment where they will gain broad exposure in different banking products and whose ultimate aim is to move into a business area. Interested applicants should contact Karina Pletsch on 071 831 2000 or write to her enclosing a full curriculum vitae to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LB, quoting reference 166643.

Michael Page City  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

## EMERGING MARKETS FIXED INCOME FUND MANAGER

In order to maintain very high standards and continue our expansion, we are currently seeking to appoint a Fund Manager for our Fixed Income desk.

The successful candidates, educated to at least degree level, in economics or a related discipline, will have 2 to 5 years' experience in a fixed income environment.

It is likely that he or she has relevant experience in one of the geographical areas belonging to 'emerging markets'.

These positions require skilled and articulate individuals with good presentation abilities, who enjoy working with and becoming an essential part of a dedicated team.

Remuneration will be commensurate with that associated with a leading financial institution.

Interested applicants should forward comprehensive curriculum vitae to:

Marc Wenhammar  
Foreign & Colonial Emerging Markets Limited  
Exchange House, Primrose Street  
London EC2A 2NY

**Foreign & Colonial**  
EMERGING MARKETS LIMITED  
(Member of IMRO)



## The Investment Bank of Ireland Limited

### Institutional Client Services Manager (Dublin)

As part of the international fund management arm of the Bank of Ireland Group, IBI manages a wide range of funds on behalf of corporate clients, pension funds, unit trusts, charities and private clients. Funds under management are in excess of £6 billion. Our business continues to grow and we are now seeking to recruit an additional experienced client services manager.

The successful candidate will have responsibility for managing a portfolio of institutional clients. The position demands a thorough knowledge of portfolio management techniques together with the ability to deal professionally with a sophisticated client base.

Candidates are likely to be high-calibre graduates with a proven track record (at least 5 years) in the industry. Strong communication skills, a thorough understanding of domestic and international markets and the ability to work on one's own initiative are essential prerequisites.

We offer an excellent remuneration package commensurate with our industry. This will include mortgage subsidy and other banking benefits. Interested candidates should write with a detailed c.v. to:

Fred Healy,  
Associate Director - Personnel,  
The Investment Bank of Ireland Limited,  
26, Fitzwilliam Place,  
Dublin, 2.

**CONCORD LEASING** is one of the UK's leading providers of sales finance in the middle ticket market. Based at Langley, we provide national finance support to leading names in a number of sectors including computers, materials handling and construction equipment.

To help build on our success and continue our growth as a key member of an Account Management Team you will be contributing to the provision of finance products for several third party introduced sales finance schemes.

Talented and commercially aware, the ideal candidate will have the ability to manage staff and customer relations and a mix of experience within the leasing industry including documentation, and lease evaluation skills.

Candidates are also expected to have good credit skills and should have experience of analysing corporate financial information ideally gained in a commercial lending environment with exposure to underwriting processes.

**CONCORD**  
member HSBC group

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This is a development position which offers the opportunity to develop both technical and management skills. Overall we are looking for a flexible player with good presentation and communication abilities.

We offer an excellent benefits package which includes a competitive salary, a preferential mortgage and company car.

As an equal opportunities employer, our vacancies are open to people regardless of sex or ethnic origin. Applicants must apply in writing giving a comprehensive resume of education and career together with details of current remuneration to:

Mrs A Kemp  
Snr. Manager Resources  
CONCORD LEASING,  
Concord House,  
2 Waterside Drive, Langley,  
Berks SL3 0JH  
Tel: 0753 580022

## FIXED INTEREST MANAGER

Capital House Investment Management Limited is seeking to appoint an additional Fixed Interest Manager. Reporting to the Director heading the fixed interest team, the position will involve responsibility for a number of sterling captive insurance funds, some international funds, client relationships and research.

Candidates are expected to be graduates with at least five years' fund management experience. A background in offshore funds will be advantageous. The ability and desire to build client relationships and work in a successful, lively team are essential.

Career prospects are excellent and the comprehensive remuneration package will reflect the calibre and performance expected of the successful candidate.

Please apply, in confidence, full career details to:  
Pauline McDermott,  
Personnel Manager,  
Capital House Investment  
Management Limited,  
24 Chester Street,  
London, EC1Y 4SP.



## CITY OF LOS ANGELES LOS ANGELES HOUSING DEPARTMENT ACCEPTING APPLICATIONS FOR FINANCE DEVELOPMENT OFFICER

Finance Development Officers analyze development proposals, negotiate with for-profit and non-profit housing developers, develop participation in Housing Programs by providing assistance regarding funding sources and financial incentives. The compensation for a one year professional position is \$50,000 to \$60,000 depending on qualifications. These positions are NOT seasonal or temporary positions of the City of Los Angeles.

Applicants for the position must possess a four year college degree from a recognized college or university in Administration, Finance, Real Estate, Economics, Planning or a related field and have two years experience in real estate development financing, including analyzing, reviewing and preparing recommendations regarding complex real estate financing; two years experience developing packages for production of housing; and a minimum of two years experience in application process, please send your resume to: Los Angeles Housing Department AT (213) 847-7429.

AN EQUAL OPPORTUNITIES/AFFIRMATIVE ACTION EMPLOYER

## Japanese Equity £30K + B

This is a rare opportunity to work in the Japanese market. The ideal candidate will be a graduate with a degree in Finance or a related field and have two years experience in real estate development financing, including analyzing, reviewing and preparing recommendations regarding complex real estate financing; two years experience developing packages for production of housing; and a minimum of two years experience in application process, please send your resume to: Los Angeles Housing Department AT (213) 847-7429.

## LYDD'S SYNDICATE ANALYST

Expanding Lydd's members requires analyst to syndicate monitoring, analysis and selection. Lydd's experience is necessary but proven research ability important. Computer literacy and good writing skills are essential. Salary approx £25,000 p.a.

Write enclosing C.V. to: Mrs Julie Lydd, Crowe Underwriting Agency Ltd, 111, House, Agency Ltd, 111, House, London EC3M 3DX.

## GRADUATE OF SCHOOL LEAVER

Exceptional opportunity for numerate young graduate or extremely bright school leaver. 'A' grade maths or train as Options Trader with market local.

Box 111, Times, One Bank, Bridge, London SE1 9HL.

## CHIEF LENDING OFFICER POLISH BANK

Established, private bank headquartered in a major city, with plans to expand throughout Poland, seeks a Chief Lending officer to manage a staff of 10-20 people. Lending primarily to small businesses, individuals and importers of American products. Ideal candidate will have 8-10 years experience and formal credit training in U.S. or Europe. Candidate must be innovative, able to implement a marketing program while administering a healthy loan portfolio.

Candidate must be fluent in Polish and English. Competitive salary, relocation package, resume and salary requirements to: Polish Bank Search Committee, c/o L. Galbraith, 202-525-2083 in the U.S.

## CHIEF FINANCIAL OFFICER POLISH BANK

Established, private bank headquartered in a major Polish city, with plans to expand throughout Poland, seeks a Chief Financial Officer to manage all accounting, treasury, auditing and other financial functions. Ideal candidate will have CPA, MBA, and 8-10 years experience. Candidate must be able to supervise all reporting, compliance and control systems in an IBM AS400/IBIS environment.

Candidate must be fluent in Polish and English. Competitive salary, benefits and relocation package. Resume and salary requirements to: Polish Bank Search Committee, c/o L. Galbraith, 202-525-2083 in the U.S.

## APPOINTMENTS WANTED

**PRIVATE CLIENTS**  
City based firm requires portfolio manager to join small team. Minimum 5 years experience with equity and fixed income. Good education, prospects & remuneration package. Write to: Financial Times, Bridge, London SE1 9HL.

## Career opportunity in investment management

Rothschild Management Limited manages funds for UK and international clients, institutional and private, and is part of a global network within the Rothschild Group.

Continuing business growth and internal progression have created this entry-level opportunity within the Fixed Interest and Currency Group. We are looking for a high-calibre graduate in economics or similar who can back sound analytical capability with the personal presentation skills essential for success in investment management field.

You will receive intensive training in the tools of portfolio management, and will initially assist in the management of Sterling-based portfolios as well as undertaking UK bond research. The scope for rapid progress is substantial: you will be encouraged to take on analysis of additional European and reporting responsibilities as you gain experience. Development prospects are open-ended for the right person.

You will need a good honours degree, a high level of numeracy, and communication skills of the highest order. You must demonstrate the ability to achieve results in a stimulating environment. Exposure to fixed interest and currency management and/or the ability to communicate in European languages would be advantageous.

This challenging opportunity carries an attractive salary and package. In the first instance, please send your full curriculum vitae, in the strictest confidence, to Andrew May, Rothschild Management Limited, Exchange House, 24 Swinburn Lane, London EC4N 3PB.



## ACCOUNT RELATIONSHIP MANAGER Excellent Package

Major European bank is seeking an experienced account relationship manager (minimum 2 years experience) for a portfolio of U.K. names. In addition to account management you will be innovative and energetic in identifying new opportunities and cross-selling a wide range of products and services. Ideally you will be a graduate/ACIB, USA Bank/clearer credit trained with a good knowledge of capital markets, treasury, derivatives and international trade-finance products. Applicants should be earning more than £30K base.

Please mailfax cv to Ron Bradley on 071-626 5259.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP Tel: 071-623 1266 Fax: 071-626 1262

## Corporate Finance Executives

As an Independent British Merchant Bank we offer a full range of corporate finance transactions from London and our overseas offices.

We now seek a small number of exceptional individuals to join our dynamic teams based in London. This is an excellent opportunity for numerate, committed professionals to progress their career in a demanding environment where exposure to a broad range of transactions is important and where a training programme is available for the development of staff.

Executives participate in meetings with clients, provide research, analysis and propose ideas for merger and acquisition opportunities and financial structures. Successful applicants will have qualified, with first time in Accountancy or Law. Candidates will also be given to know the bank.

completed an M.B.A. With up to 10 years' qualification experience, applicants will now be seeking to apply their business skills through greater involvement at the commercial end of transactions.

In addition to excellent communication skills, experience of working to tight deadlines and the ability to work within a team are essential requirements. Experience of financial modelling using computer spreadsheets is desirable. Fluency in a European language would be an advantage.

We offer a competitive salary and benefits package. To apply, please send enclosing your CV and details of your current earnings to Mrs C.M. Lambert, Assistant Director, Hambros Bank Limited, 41 Tower Hill, London EC3A 4HA. Tel: 071-480 5000.



**HAMBROS BANK LIMITED**

## CONFEDERACION ESPANOLA DE CAJAS DE AHORROS - ("CECA")

CECA, through its London Branch is seeking to recruit a motivated individual to join the Settlements Department who will be reporting to the Operations Manager. The position requires 3/5 years relevant experience in FX, Money Market deals IRS's, FRA's Futures, Options and settlements through Euroclear. The candidate should possess experience in Kapi/IBM AS400 System and Swift, and a good command of the Spanish language will be an advantage. Salary and benefits will be commensurate with experience.

Interested applicants should write in confidence enclosing a complete CV to:

Ana Canales, CECA, 16 Waterloo Place, London SW1Y 4AR.

## APPOINTMENTS WANTED

**EMERGING MARKETS**  
10 year old wide experience in equity and interest markets. Accountancy position within emerging markets area to fund management or trading organisation. Write to: Financial Times, Bridge, London SE1 9HL.

## SALES MANAGER (Engineer) German

Long years experience in production, technical services and sales, with extensive knowledge of technology for automotive, mechanical and technical ceramics, seeks to help you in building up a Representation for your company in Europe in order to develop your European business for your products of high quality and low cost.

Write to: (Germany) Financial Times, Bridge, London SE1 9HL.

## BANKING FINANCE &amp; GENERAL APPOINTMENTS

## Fixed Income Syndicate

**Ambitious professional with drive and ingenuity**

**3 to 4 years experience**

**Mid to late 20s**

**Excellent salary package**

### YAMAICHI

Yamaichi Securities is one of the world's leading securities houses, with over 100 offices spanning 24 major financial centres worldwide outside Japan. In London, Yamaichi International (Europe) is its European flagship, employing over 100 people.

Our fixed income syndicate is expanding and requires an experienced and ambitious professional to develop further our new issue business.

Possessing drive and ingenuity, the right candidate will help coordinate the flow of communication between the relevant business operations of Yamaichi Group, especially sales and origination. The ability to price transactions, develop business relationships and market the company's issue services is essential and existing clients is essential.

Candidates should submit in confidence a detailed CV to Mrs. Kath Lawrence, Head of Personnel, Yamaichi International (Europe) Limited, Finsbury Court, 111-117 Finsbury Pavement, London EC2A 1EQ.

Yamaichi International (Europe) Limited  
Member of the London Stock Exchange

### ECONOMIC AND FINANCIAL RESEARCH

A highly successful fund management group seeks to recruit a Research Assistant to join its newly formed European operation, based in London.

The business of the fund management group in Europe is to research and analyse investment opportunities in the main international bond and forex markets. The Research Assistant will be an integral part of this process and will be rewarded with a highly competitive salary and benefits.

The successful candidate will have a university degree, be computer literate and competent in application of statistical and econometric techniques, having 2 years experience in the international markets, preferably in the economic or research departments of a stockbroker, merchant or investment bank.

All applications to include an up-to-date CV in strict confidence to:

B1977, Financial Times,  
One Southwark Bridge, London SE1 9HL

### INVESTORS CHRONICLE

#### EDITOR

Gillian O'Connor's appointment as Personal Finance Editor of the Financial Times means we are looking for a new Editor for Investors Chronicle.

Investors Chronicle is a part of the FT Group's magazine portfolio. It enjoys a considerable reputation for its coverage of all financial markets and its expanding investment and personal finance section.

We are looking for an ambitious journalist of real standing - who may or may not have previous managerial or investment journalism experience - keen to build on the IC's current circulation growth.

Applications, in writing, should be sent to:

William Gibson, Managing Director,  
FT Information Ltd  
One Southwark Bridge, London SE1 9HL

### HILL SAMUEL

would like to speak to a financial background/experience with a view to, after suitable training, selling our range of investments and Planning to both private and corporate clients. Write to or phone:

Rose Hill Samuel  
29 Queen Anne's Gate,  
SW1A 1BU  
Tel No: 071 222 4555

## Stock Market Advisor Lebanon

**Our client, one of the largest public companies in the Middle East, is seeking to hire an experienced stock market advisor.**

#### The Position

Reporting to senior management, the successful candidate will be in charge of monitoring the company's share price performance as well as managing its extensive investment portfolio. Interpreting share price movements, liaising with key market participants and advising management on appropriate actions to take in the light of local economic conditions will also be central features of the position.

#### The Candidate

The successful candidate will be a mature well respected individual, probably in their fifties, with a proven track record in equity trading and stock market analysis. Strong analytical and interpersonal skills are essential. Previous experience in investment management or as a senior advisor to a respected brokerage house

or merchant bank. Exposure to emerging stock markets and some regulatory experience would also be helpful. The position is based in Beirut, Lebanon. With the company now firmly behind it, Beirut is bustling with a large European expatriate community. It is a very cosmopolitan city with a mild mediterranean climate throughout the year.

#### The Package

The company offers a generous package to the successful candidate commensurate with their experience.

If you are interested in the position please write or fax a full CV together with details of current salary and supporting references to Andrew Tinnery.

1 Surrey Street,  
London WC2R 0JH  
071-439 1133 Telephone  
071-439 1133 Facsimile

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A prestigious Bank seeks an experienced Manager with London experience and fluent Arabic. £225,000

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A leading bank seeks a high calibre graduate banker aged 27/32 years ideally with investment banking product experience. NEG £20-240,000

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UK fund managers seek an experienced stock picker with a quant background to join their top performing EM fund. NEG £20-240,000

### SWAPS

Major Bank seeks to add (i) I.R. Swap, European Currency Trader with 2 years + experience and (ii) a marketer with 2 years + experience with second European languages. SALARY HIGHLY COMPETITIVE

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**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

# Commitment becomes the watchword of the 1990s

Bob Reynolds argues that the profession is encountering a big turning point in its relations with clients

During the mid 1980s, US corporate managers were driven by the cult of excellence. But in the 1990s, much of the accountancy profession remained rather slower to join the battle cry.

A decade ago, the *Excellence* by Tom Peters and Robert Waterman became a bible for companies seeking to achieve perfect performance. In the wake of the American experience, some forward-looking corporate planners in the UK also wanted to learn from the quality and excellence initiatives abroad to improve service to customers and internal operations.

Professional services organisations, despite offering quality management consultancy to clients, came to the notion that such programmes could be applied to themselves. To a certain extent, they were victims of their own professional mythology: that their performance was guaranteed by their professional status. Until the early 1990s, professional services in the UK cultivated a mystical image depicting themselves as the guardians of largely inaccessible knowledge. Their approach to the customer-supplier relationship was akin to medical specialist and patient. The commercial history of the last decade has forced greater accountability on the professions and accountancy in particular.

One of the principal reasons which emerged from the research for my book *Excellence in Accountancy* was the diversity of reaction among partners in firms towards the emerging commercial dynamics of the last

In some practices, there were partners and managers who could see the extra demands that clients would soon make upon them as early as 1982 or 1983. Their words of prophecy often fell on deaf ears.

These individuals were arguing not solely for a change in commercial direction but for a realignment of the professional dialogue with clients. More traditional partners could not see the *raison d'être* for moving from the comfortable *status quo* which they had enjoyed for many years.

In the larger accountancy practices determined that their independent survival depended on a reformed relationship to client needs.

In fairness to accountants, probably any other professional group, the quality of their performance is contingent on the personal relationship with client directors. Bankers speak enthusiastically of their personal relationship with their customers, but in the end any

relationship governed by tight corporate lending policies. In the accountancy sector, given the constraints of the international audit approach, the partner in the modern practice is extensive for fulfilling client expectations. The partner is a major international assignment, either statutory or consultancy, will shape a client's specific client demands.

Although he will be accountable, in degrees of formality, to fellow partners, the opportunity to provide the wide-ranging, creative but precise solutions to client problems is immense.

This places the greatest burdens on partners to add value to the client relationships. The environment is aggressively competitive. If you partner told me: "Ten years ago, if you overheard company directors lamenting their auditor on the 7.55 Waterloo, you would probably ring him up and say 'Watch out chap'. Today you ring your own marketing department, they contact the client service partner responsible for that target and he or she rolls out an analysis of their worldwide operations, where you perceive potential difficulties for them and what solutions you propose. In short, you use your partner's difficulties to press home your advantage."

The last few years have been characterised by widespread moves to reflect changes in demands by clients and potential clients. Among these are: to codify the responses of firms in terms of management structures; to demand greater speed for speedy decision-making; organised procedures for marketing, research and product development; structural changes for bringing together the most talented people from international firms to service multinational clients; systems for improving the quality of service delivery in a broad portfolio of disciplines in key world markets; and, if all these have any impact, improved targets for partnership profitability.

All these approaches have been entirely successful. However, the of structures and benefits from them. Partners therefore their firms much

for quality of their output. reviewed by clients more rigorously today than a decade ago. Company directors, if shareholders, appear to be getting more out of relationships with their auditors.

If nothing else, firms have more responsive to the changing demands of the market. This most recently been seen in the re-shaping of service teams for audit assignments. Traditionally, an audit would be led by the partner whose daily involvement in the administration of the service would be comparatively small. Her role would be to oversee the relationship with the client and plan, broadly, the direction of the assignment.

The bulk of the work is traditionally handled by the junior managers who processed much of the number crunching. Clients are demanding that partners and senior staff give much more fully of their time, that they are buying more than overseas capacity. Directors of client companies want to partner expertise as part of the daily commitment to the delivery of the audit and other services. They also want to take advantage of the industry knowledge which firms have built up over the years.

This has significant ramifications for the development of such practices. Firms will in future require lower graduate recruitment. The larger firms have hiring between 1,000 students a year and the largest professional employers outside the Civil Service.

In future the firms will require fewer but higher calibre staff to work on assignments. The emphasis will shift from students who take three years before they are given real client responsibility to more senior people engaged to work immediately within a short time. There will be more recruitment of partners and senior staff from non-accountancy based practices.

Another trend has also been unfolding in the international arena: multinational companies requiring their auditors and consultants to make larger scale commitments to their clients. The engagement procedure of assessing potential suppliers can take longer than the normal audit beauty parade.

The reward for this closer commitment is the assurance that the company will probably remain as a client and extend the life of supplier services. The process involves supplier firms sharing the clients' approaches to quality management, demonstrating extensive understanding of the client's international objectives, basing key personnel permanently at the client and responding rapidly to client demands.

Firms have moved in scope, flexibility and approach in the last 10 years. The demands will be greater demands to develop creative ideas for international business, to ally themselves directly with clients' management approaches, and to become tougher in fluid negotiations ready to respond to client needs.

Reynolds is the author of *Excellence in Accountancy*, Macmillan.

## FINANCIAL DIRECTOR

LONDON NORTH WEST  
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TO £50,000

Our client a US based company with significant operations in the United Kingdom is looking to develop the strength of its Financial Department.

The company was incorporated in 1980 and has developed into one of the market leaders in the field of specialist video production. With the rapid expansion of the need for programming brought about by the development of satellite TV in North America, the demand delivered by cable, linear video CD, interactive video CD and other new media opportunities.

The company are now seeking to appoint a strong and positive financial director to join the board and become an integral part of the management team. This is a new appointment and the primary objective of the role will be to control the development of the financial reporting structure of

a time of great opportunity for the company.

The prospective candidate must be a qualified accountant, aged between 34 and 40 and be able to demonstrate achievement of a senior level in a demanding commercial environment. Experience gained in a media related business would be helpful but not essential. The applicant should be able to demonstrate strong organisational leadership skills and have the ability to grasp and analyse complicated issues and assist by contributing to strategic decision making.

Interested candidates should apply in writing, quoting reference JG/6908 enclosing a full CV including a daytime telephone number and details of current remuneration to: Casson Beckman, Hobson House, 155 Gower Street, London, WC1E 6BJ

CASSON BECKMAN  
Chartered

## SYSTEMS AUDITOR

The City Office of a leading international bank needs to recruit a senior systems auditor with the experience and skills to further develop an already important role within a dynamic financial systems environment.

Candidates must be experienced auditors with demonstrable expertise in system reviews. The successful candidate will work within a small team of auditors and will be responsible for a wide range of audit assignments, including all aspects of IS auditing as well as general audits and special projects.

An attractive package, including banking benefits, is available to the successful candidate. Applications should be sent to the current salary details must be received by 3 February 1994; please reply with a copy of your CV to: JHR/086, Times, One Southbank Bridge, London SE1 9HT.

## Head of Internal Audit

Financial Services

c.£43,000 + car

City

Our client is a major international insurance group which, within the U.K., has several substantial subsidiaries operating in separate business sectors.

The internal audit resource is currently provided by the US parent but, as a result of rapid expansion of the group, there is a requirement to establish an internal audit function here to cover the U.K. activities together with a limited amount of European operations. The Head of Internal Audit will report directly to senior management within the parent company and be responsible for building a small team and developing an audit strategy based upon a risk oriented review of controls.

To be considered for this high profile position, candidates must be chartered accountants with

in-depth experience of the London Insurance Market and be used to auditing within a sophisticated computerised environment. The role would be particularly attractive to candidates in their late 20s seeking a first move from the profession. The substantial size of the U.K. business should offer longer term career opportunities for an individual who has built credibility within the organisation.

Please write outlining your interest in the appointment and enclose a curriculum vitae including current salary details and quote ref CASH to Carrie Andrews, Head of Young Corporate Resources, Rolls House, 7 Rolls Buildings, Rotten Lane, London EC4A 3DF.

ERNST & YOUNG

".....A strategic financial appointment that will influence the business performance of a leading international company."

## FINANCE DIRECTOR

Our Client, a profitable operating subsidiary of a dynamic, successful UK PLC, has a turnover of £70 million and is established as a market leader in the manufacture, selling and servicing of a portfolio of internationally branded products. The parent company has revenues in excess of £700 million and an impressive record of profit growth. The subsidiary employs 1000 staff and is committed to further growth. An opportunity has arisen for an ambitious Finance Director to make a significant contribution to the division.

The company is a fully integrated business with 3 manufacturing facilities and supportive marketing, field sales, service and product development functions and also has subsidiaries in Europe.

Reporting to the Managing Director with a strong relationship with the Group Finance Director, you will be responsible for all aspects of finance, and will act on behalf of the Managing Director. A proven understanding of the dynamics of standard and job costing, product development and manufacturing processes will be essential. Additionally, the candidate will manage and motivate a large finance team spread across different sites.

It is essential that the successful candidate will be a graduate, qualified accountant aged 32-40, with a track record of achievement in effective financial management and the ability to quickly establish their authority in the company. Furthermore, the candidate will be responsible for establishing a financial culture that reflects the company's commitment to hard work, quality, pride and integrity, and be able to enjoy further career progression in the Group.

Suitable candidates should contact our advising consultant in confidence, Mark Stewart at Financial Selection Services, Drayton House, Gresham Street, London EC1R 3AN. Tel: 071-387 1411 (office) or 0256 810266 (evenings after 8pm). Alternatively fax your career resume on 071-387 0857.

FINANCIAL SELECTION SERVICES

DDS | Donovan Data Systems Ltd

## Regional Accounting Manager c£30K + Benefits

London based with significant European travel

Donovan Data Systems is a world market leader in the provision of computing services for the advertising industry. It is a privately owned US company that is embarking on major global expansion.

DDS needs a young ambitious qualified accountant to be a key player in this expansion. The first assignment will be as Accounting Manager for the DDS organisation in France. Initially based in Paris this role includes all finance and administration matters, French and US GAAP accounting, tax, personnel budgeting, treasury etc. Subsequently to act as Accounting Manager in new DDS locations they will be added and from a base in London to assist in the implementation of a European-wide accounting process which will include standard reporting.

The successful candidate will be a qualified accountant with fluent French and English, and preferably another European language, who is used to working to tight deadlines in a multi-currency environment. The candidate will need to be flexible, have a good sense of humour and be prepared to travel extensively.

This appointment is critical to the company's growth plans and salary and benefits will reflect the importance of the appointment.

Please send your full CV and current salary details to:

David Zirker, European Finance Director,  
DDS Europe,  
7 Farm Street, London W1X 7RB  
Fax: 071 493 0239

HILLTON

INTERNATIONAL

## Assistant Treasurer

ATTRACTIVE PACKAGE - WATFORD, HERTS

International corporate office in Watford, one of the largest and most successful financial groups in the world over 200 staff in 10 countries. The Assistant Treasurer, reporting to the President, Development Finance and Treasurer, will be responsible for a wide range of duties including: cashflow forecasting; foreign exchange management; credit card negotiations; bank management. In addition, there will be project work in the form of a netting system for payments after making an assessment of the value and benefits. Together with a number of years' experience in the finance/accounting

function exposure to international business. The successful candidate will possess a formal financial qualification. Treasury experience, particularly relating to foreign exchange management, will be an advantage. This role will involve international travel. The attractive remuneration package will reflect experience and ability, with opportunities for progression and excellent. Please write full CV, including salary details, to: David W. Allen, Director of Human Resources, Hillton International, International Court, 2/3 Rhodes Way, Watford, Hertfordshire WD17 4TW. Fax: 0928 725666.

Make your experience count

## FINANCE DIRECTOR

SERVICE SECTOR

Southern Home Counties c£60K + Car + Benefits

Our client is a progressive £150M turnover subsidiary of a major blue chip company. The post reports to the Chief Executive and as a member of the Board the successful candidate will be expected to make a significant contribution to the development of the business which is already recognised as a major player in its market.

### RESPONSIBILITIES

To lead and develop the finance department to provide a high standard of financial reporting and to further develop systems by displaying a forward thinking attitude. Ensure the efficient use of resources, identifying areas of potential profit improvement. Work closely with the Directors and make a significant contribution to business operational efficiency. Contribute to the growth of the business by the identification and evaluation of potential opportunities both organic and by acquisition. Develop specific relationships within the business at a senior level.

### THE INDIVIDUAL

Qualified Accountant aged c35-45. A pro-active individual involved approach with a desire to fully contribute to all aspects of the business. Strong communication skills. A proven record gained in a substantial company in Board level.

If you wish to be considered please submit a detailed CV in confidence, quoting ref: FFD. Please specify if there are any companies you do not wish to receive your details.

Tabernacle, Director,  
Consultants Ltd.,  
House, Avenue, Helsby,  
Warrington, WA6 0AG.  
Tel: 0928 725666, 0928

REP  
Consultants Ltd

FRENCH BANK - PARIS  
CORPORATE BANKING DIVISION, requires

## ACCOUNT OFFICER

The Company  
- Major institution (Insurance group)  
- Principal activities: private banking, asset management, corporate banking

The position  
- Develop Scandinavian portfolio (particularly Danish, both in France and Scandinavia)  
- Based in Paris  
- Attractive package  
- Extensive travel

Qualifications  
- One or three years experience in a similar position  
- The candidate should have a good knowledge of corporate banking activity  
- well-established existing relationships with Scandinavian companies  
- French fluency is essential together with Danish and/or Swedish

Cecile DEBELLEUX - CORDEX  
11, avenue Myron T. Herrick  
75008 PARIS FRANCE  
Tel.: 33-1-42 56 55 57  
Fax: 33-1-42 25 13 23

CORDEX  
BANK OF SWEDEN

## Financial Controller

for medium sized international trading company based in Jakarta, Indonesia with a turnover of more than US\$250 million. The company has rep. offices and branch operations in a number of countries including Russia, Germany, Singapore, China, Vietnam and Cairo.

The candidate will be reporting to the Board and should be a qualified accountant with a minimum of 5 years experience in senior financial management position with an international trading firm.

The candidate should be familiar with structure and implementation of complex commodity financing transactions with a knowledge of offshore corporate business structure and taxation.

Salary will be commensurate with experience in addition to generous expatriate benefits.

Please send detailed resume to:  
Sutton International Business Management, Stone House, 54 High Street, Kelvedon, CO5 9JD



**British Railways Board**  
Rolling Stock Leasing Companies

## CHIEF ACCOUNTANT

### Three Key Development Roles

The privatisation of British Rail is one of the most demanding business challenges of post-war years. The creation of three new Rolling Stock Leasing Companies is a key part of this process and will become a substantial new industry in the UK. Each of the companies will own and manage the railway vehicles to be leased for passenger train operation. A typical fleet will have mixed stock of c.3,500 vehicles with a value of c.£1.5bn and will compete for business. This exciting task demands skills and application of the highest order. It is intended that the companies will transfer to the private sector.

As a highly motivated finance professional, you will lead all financial accounting activities within the business. You will be responsible for establishing a finance team and implementing the key financial policies, systems and controls which will ensure the success of the business and its transition to the private sector.

Reporting to the Finance Director, the Chief Accountant is responsible for all financial accounting and statutory reporting, asset records, treasury management and the provision of sound independent advice on customer creditworthiness. The role will also encompass Company Secretarial and Office Management duties.

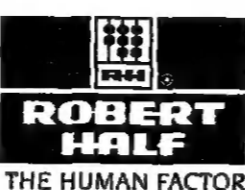
Candidates will possess a professional accountancy qualification with a minimum of five years' senior financial management experience. Good communication skills, strong leadership, excellent technical accounting abilities and computer literacy are essential. Whilst leasing experience is not prerequisite, it is highly desirable.

Please apply, enclosing full C.V., to Ian Coulter at Robert Half, Walter House 418 The Strand, London WC2R 0PT. Telephone: 071-836 3545, 24 hours Fax: 071-836 4942

As retained consultants, any CV's submitted directly to our client will be forwarded to Robert Half.

**£40,000 + Excellent benefits**

**London & The Midlands**



**£80,000 package plus options & benefits**

**Quoted UK Plc**

**North East England**

## Group Finance Director

*A top flight Finance Director - reporting to the Chairman - is required for this £60m turnover quoted company, manufacturing and servicing capital equipment of which 50% is exported. The Group has manufacturing operations overseas and is in the final phases of restructuring that will enhance its competitiveness in its niche markets.*

### THE ROLE

■ Responsible for all Group finance matters including overseas consolidation and financial reporting, championing the highest standards across the Group. Manage established accounts department.

■ Review and refocus costing and management reporting systems, upgrading quality of IT to tighten reporting deadlines, accuracy and format.

■ Assist the Chairman with investor relations and maintain close contact with the Group's bankers. Play key role in formulating long term strategy.

### THE QUALIFICATIONS

■ A determined and resolute change agent with a hands-on approach. Graduate calibre accountant, aged 35-45, with broad senior level experience in a blue-chip international business environment, ideally with international exposure.

■ First class financial management, costing and analysis skills honed in a manufacturing environment, ideally with international exposure.

■ Keen intellect with maturity and credibility. A questioning and challenging style with strong bottom-line focus.

Leeds 0532 307774  
London 071 493 1238  
Manchester 061 499 1700

**Selector Europe**  
Spencer Stuart

Please reply with full details to:  
Selector Europe, Ref: F092014,  
14 Cornmarket Place,  
London WC2R 3EP



**Crawley College**

**Price Waterhouse**  
EXECUTIVE SEARCH & SELECTION

## Head of Finance

**To £40,000 + Car Allowance + PRP Crawley**

Crawley College is a leading provider of Further and Higher Education in the South of England, with an annual gross budget of £10 million and over 500 staff. Now incorporated as an independent and fully accountable College, we are currently undergoing significant change in the way we manage our resources, with particular emphasis on strategic planning and the management of financial assets and funds.

To spearhead this change, we require a Head of Finance to take responsibility for financial operations. Reporting to the Director, you will:

- Help determine the strategic direction of the College
- Manage and develop an effective financial management function
- Develop comprehensive information systems to meet the needs of the College.

As a qualified accountant, you are likely to have had previous experience of working with senior management and Directors

and been involved in strategic planning within your organisation. In addition, you will have significant knowledge and exposure to information systems implementation.

You will have a practical, flexible and innovative working style and the ability to develop a good rapport with all levels of staff. You will also be a strong believer in a "hands-on" approach to getting the job done and have the ability to promote financial awareness throughout the organisation. This is an opportunity to play a crucial role in the evolution of an important regional College as a corporate entity.

For an Information Pack please telephone Judith Richardson quoting reference number J/1417/FT, and/or write, enclosing full CV, salary details and a covering letter demonstrating your suitability for the role.

Executive Search & Selection, Price Waterhouse,  
Milton Gate, 1 Moor Lane, London EC2Y 9PB  
Tel: 071-939 6311. Fax: 071-638 1358.

## FINANCE DIRECTOR

**East Midlands**

**£40,000, Car, Benefits**

A progressive, autonomous and complex subsidiary of a quoted UK PLC, which encompasses multi-site retail, wholesale, manufacturing and substantial imports/exports. A young, dedicated, and enthusiastic management team with a clear strategy and ambition to be the European market leader.

### THE ROLE

• Report to the Managing Director, provide leadership to the Finance Department and encourage staff development and rewards. • Review profitability reporting across all divisions with a critical emphasis on controlling margin performance. • Work closely with and give guidance to senior management colleagues, particularly on financial planning issues and "what if" scenarios. • Active participation in commercial and strategic decision making.

### THE QUALIFICATIONS

• Qualified Accountant, aged 30 to 35. • Youthful, vigorous approach together with maturity to manage and influence. • Proven senior financial management and commercial experience in a fast moving industrial sector. • A strong character with well developed leadership qualities and interpersonal skills.

This appointment is being handled exclusively by Hitchenor Maher. Please reply in writing, quoting Ref: HM10060 to First Floor, York Place, Leeds, LS1 2EY. Tel: 0532 470170. Fax: 0532 470191.

**HITCHENOR MAHER**  
FINANCIAL RECRUITMENT

**Coopers & Lybrand**

**Executive Resourcing**

## Operations Accountant

**CENTRAL LONDON**

**PACKAGE TO £35,000 + BONUS POTENTIAL**

This is an excellent opportunity for a recently qualified Chartered Accountant to join a small, publicly quoted Group of property companies. Following a recent restructuring and major rationalisation programme, the Group is now in a strong position to move forward and enter an exciting new phase in its development.

Reporting to the Finance Director, you will take responsibility for overall expense and payment controls, financial recording and analysis, management reporting and accounts, whilst providing accurate and timely information to the management team. As Group Accountant, you will also be required to take the lead role in producing regular investor information and statutory accounts and in further developing the management reporting system.

Probably in your late 20s, you will have ideally gained some two years' post-qualifying experience in a strong, market-led commercial or financial services organisation. Direct involvement in and knowledge of management information and computerised financial systems are pre-requisites. Personally, you will combine the credibility to work effectively at a senior level with the willingness to take a "hands-on" approach to operational detail. Initiative, drive and enthusiasm are essential, in addition to the technical and interpersonal skills necessary to succeed in this dynamic environment.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to Adrian Edgell, Coopers & Lybrand Executive Resourcing Limited, 9 Greyfriars Road, Reading RG1 1JG, quoting reference AEB88 on both envelope and letter.

## WORLD RENOWNED US INVESTMENT BANK

## Analyst

**Corporate Finance & Capital Markets**

**London**

**£ competitive package**

Our client is a leading US investment bank. It is a major player in a number of fields including derivative and capital markets products. As the competition for new business has increased, our client's diverse product teams have been looking at and undertaking higher risk transactions. This strategy demands rigorous analytical and risk assessment techniques. A team exists to centrally analyse all proposed transactions for the product areas. An Associate level position has now arisen within this team.

Analysis in this role will involve not only looking at the financials, but at broader considerations such as client strategy, structure of proposed deals and economic climate. The successful candidate will become an integral member of the deal teams for whom they work and will participate in all relevant client meetings. The position provides a unique opportunity to learn as the successful individual can expect to work with all product areas over time.

Probably aged in his or her mid to late twenties, the ideal candidate will currently be performing an analytical role within a bank or have recently qualified as a Chartered Accountant. The successful individual will need commitment and enthusiasm, excellent interpersonal skills, a high degree of professionalisation and strong analytical skills in order to maintain the team's reputation for excellence with the product areas. Additionally, experience of working with German corporates would be advantageous.

This is an exceptional opportunity for ambitious individuals who are looking for a dynamic environment where they will gain broad exposure to different banking products and whose ultimate aim is to move into a business area.

Interested applicants should contact Karina Pletsch on 071 831 2000 or write to her enclosing a full curriculum vitae at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH, quoting reference 166643.



**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

The Polish subsidiary of a very successful North American multi-national operating in the media and advertising sector is looking for its

## Deputy General Manager

**Finance and Operations**

**Warsaw**

Reporting to the VP Finance Europe your main responsibilities will be: to set up accounting and reporting procedures, to control cash management and expenditures, to manage all aspects of operations including human resources, production and distribution, to collaborate closely with the Sales and Marketing Manager and to undertake various studies and projects for the General Manager.

We are looking for a young European (30/35 years old) with an excellent educational background, 3/4 years

### Excellent Expatriate Package

experience in financial audit, plus 2 years as controller with a firm focusing on distribution of a product or service.

Fluent English and willingness to learn Polish are requirements.

Highly motivated candidates with good business sense should contact Charles-Henri Dumon in Paris (1) 47 57 24 24 or send CV + photo to Michael Page International, 3 bd Bineau 92594 Levallois-Perret Cedex, with reference CHD 9847FT.



**Michael Page International**



**HEREFORD**

## FINANCIAL ACCOUNTANT

**£ Excellent Package + Relocation**

Sun Valley is one of the fastest growing, fully integrated producer and processor of fresh poultry meat in Britain and Europe. An impressive pedigree includes some of the largest retail and food service companies in the world as its customers.

Ambitious plans for the future dictate the need to further strengthen the experience of the finance team.

Reporting to the Group Chief Accountant, the position of Financial Accountant will be key to the ambitious programme of developing real excellence.

### Key areas of accountability include:

- Control and analysis of key balance sheet items.
- Production of weekly/monthly management reports.
- Analysis, review and control of significant capital expenditure programmes.
- Reconciliation of financial information.

• Systems development and implementation.

• Providing financial and commercial support to the business units.

The successful candidate will be a graduate qualified accountant with at least two years post qualification experience. With highly developed interpersonal skills you will thrive in a role that is highly visible, and an environment that promotes creativity and innovation. As with any appointment of this nature, the company is seeking an individual who displays the health to develop further within the business.

Interested candidates should write to Chris Tovey at Michael Page Finance, The Citadel, 190 Corporation Street, Birmingham B4 6QD enclosing a current curriculum vitae. Alternatively, you may call him on 021 625 3380 for an informal discussion. Please quote reference CT1942.



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## Director, European Audit

### Broad, operational perspective

#### Global Investment Bank

This firm is a truly international investment bank and securities house with an outstanding reputation across all major markets. They are exploiting this competitive edge to take advantage of the increasingly global nature of the financial market place.

The audit function reports directly to the Chairman and has a uniquely high profile and a particularly proactive brief. A Director is required to manage the European function.

Reporting to the Managing Director, Global Audit (based in New York), you will be totally responsible for the development and execution of the audit plan for the region through a team of 16. This is not a policing role and, as such, you will work closely with line management to improve areas of operational and control weakness. The Bank is going through a period of considerable growth and development into new product areas and the audit team is expected to play a positive role in this process.

£85,000 + Banking Benefits

You may already be at director level but seeking a more proactive and influential involvement; or at the managerial level, ambitious for directorial responsibility. Exceptional individuals from the profession will also be considered. You should possess: a detailed technical knowledge of the range of investment banking activities; excellent management and people development skills and the personal presence to enhance the credibility of the function.

Atypical of the traditional view of audit, this opportunity should not simply be seen as a stepping stone. Rather, the Audit Director will be a more rounded individual with a broad commercial perspective and may aspire to senior management within the Bank in areas such as credit, financial control or risk management.

Please send a full CV to Tim Musgrave, Ref. 22/1627 at Morgan & Banks Plc, Brettenham House, Lancaster Place, London WC2E 7EN. Or phone: 071-240 1040. Fax: 071-240 1052.

**Morgan & Banks**  
INTERNATIONAL

## FAST TRACK TO MANAGEMENT

Offering Exceptional Young ACAs, CIMAs and MBAs Global Experience

A passion for excellence, a refusal to be less than the best, consistent gains in revenue, profit and productivity - GE is one of the world's most successful global giants. Aiming to be first in every one of its markets - from light bulbs to power plants, financial services to network broadcasting - GE's corporate values are unique.

The Company's premier training grounds for future business leaders are the GE Corporate and Capital Audit Staffs, which have a three-fold mission: to ensure financial integrity, improve business process efficiency and develop future business leaders.

The Audit Staff teams examine corporate and business issues, looking at customer service, market penetration, critical processes and product quality. Focusing on areas of highest business risk and maximum returns, they recommend and introduce financial routines and controls, and innovative business techniques and technology. As part of a team of high potential individuals, the Auditors undertake 3-4 assignments each year, travelling 100% of the time to various GE businesses throughout the world.

Supported by an accelerated formal training programme, the Auditors develop a broad experience base from their involvement in

GE's global businesses. Consequently, more than half GE's officers and financial executives are Audit Staff trained.

GE is currently recruiting a new intake for both Audit Staffs. This unique challenge demands exceptional individuals, highly motivated, analytical, independent and keen to achieve their full potential, whilst gaining global experience. In particular, the Company seeks fast track candidates with a strong academic background, excellent inter-personal skills, either ACA, CIMA or MBA qualifications. Language skills would be a definite advantage.

One of the world's foremost leadership development programmes, Audit Staff offer superb career prospects.

The demands are high - the rewards outstanding.

Interested applicants should post or fax a full CV, quoting ref 018, to the address below or for more information call us on 071 329 4649 or during the evening and weekends on 081 467 1408.

NOTE: Any CV's sent to the client by other recruitment consultancies will be forwarded direct to Alderwick Consulting Limited.

**ALDERWICK CONSULTING**

SEARCH & SELECTION  
100 BAILEY HOUSE, 100 BAILEY,  
LONDON EC4A 3NB  
TEL: 071 329 4649 FAX: 071 329 4671



GE is an equal opportunity employer.  
\* Not associated with the English company of similar name.



**British Railways Board**  
Rolling Stock Leasing Companies

## FINANCIAL PLANNING & ANALYSIS MANAGER

### Three Strategic Commercial Roles

The privatisation of British Rail is one of the most demanding business challenges of post-war years. The creation of three new Rolling Stock Leasing Companies is a key part of this process and will become a substantial new industry in the UK. Each of the companies will own and manage the railway vehicles to be leased for passenger train operation. A typical fleet will have mixed stock of 3,500 vehicles with a value of £1.5bn and will compete for business. This exciting task demands skills and application of the highest order. It is intended that the companies will transfer to the private sector.

Reporting to the Finance Director, the Financial Planning and Analysis Manager will be a vital member of the new Finance team. Leading and directing all planning and analysis activities, you will add considerable value to the decision making process. This will involve exposure to high levels of commercial and engineering management.

More specifically, the role encompasses strategic business planning, budgetary control and the critical appraisal of performance, periodic results and forecasts. The position also provides significant support to the contracts process through the use of financial modelling techniques and the development of pricing analyses.

Candidates will possess a professional accountancy qualification or MBA, with at least 5 years' experience in a commercial environment. A rigorous analytical approach, together with excellent interpersonal and influencing skills, are essential.

Please apply, enclosing full CV, to Joan Coulter at Robert Half, Walter House, 118 The Strand, London WC2R 0PT. Telephone: 071-536 3545, 24 hours Fax: 071-836 4942.

As retained consultants, any CV's submitted directly to our client will be forwarded to Robert Half.

£35,000  
+ Excellent  
benefits

London &  
The Midlands

**ROBERT HALF**  
THE HUMAN FACTOR

## Notability Finance Director

Harlow, Essex

£30,000-£40,000 + pension + car

Notability provides disabled people with cars, powered wheelchairs and other services at preferential rates. A registered charity, it makes charitable grants to help with the costs faced by some disabled people in achieving mobility. Notability employs some 140 people and has seen the fleet size grow rapidly to nearly 200,000 vehicles. Notability receives considerable government funding, making it a unique partnership between voluntary sector, public sector, finance and business.

The charity is growing rapidly, and is undergoing a major restructuring involving a professionalisation of all aspects of its service. The new finance director will be responsible for strategic planning, the accounts and payroll system, introducing new budgeting and management accounting system, new internal audit procedures, systemising fundraising accounting, compliance with recent legislation on charities and government accounting guidelines, negotiating with finance companies, banks, insurance co's, motor manufacturers and other suppliers, and supervision of research and purchasing.

The successful candidate will be a very bright, dynamic qualified accountant, possibly with voluntary sector experience, and will ideally understand the issues facing people with disabilities. Experience of managing finance departments in organisations of a similar or larger size would also be highly desirable.

Please send your CV, no later than 4.2.94, to Evelyn Kirby at Charity People, First Floor, Station House, 150 Waterloo Road, London SE1 8SB. Tel: 071 620 0062. Fax 071 633 0331.

Charity People

### FINANCIAL CONTROLLER

High Wycombe  
£25,000 + car

This expanding group is involved in international airfreight and distribution and turnover is currently £3million. The ideal candidate, early 30s, will be professionally qualified, computer literate, commercial and will report direct to the Managing Director.

The individual will be responsible for all financial control and reporting, business forecasting, cash monitoring, financial accounts and the smooth running of the administration.

Write to Box 11/904,  
Financial Times, One Southwark Bridge,  
London SE1 9HL.

## Finance Director Printing Industry

Shropshire £35,000 + high bonus potential + bens

Our client is a well-established, dynamic, privately owned printing company, based in an attractive location, that has trebled its turnover in three years to £27 million. Operating from a modern, purpose built site with state-of-the-art equipment and machinery and a full in-house service, the company now wishes to appoint its first Finance Director to play a key part in its future profitable growth.

Reporting to the Managing Director and taking an active part in the strategy of the company, the role requires strong commercial skills. Responsibilities will include "hands on" day-to-day financial control and planning, managing a small accounts department and, importantly, overall responsibility for estimating and buying. Candidates will be graduates, circa 40, who are qualified accountants and have the ability to significantly contribute to the company's rapid growth. Experience of developing and implementing costing systems is essential, with a background in bespoke manufacturing preferred. First class people, management and business skills are required.

Candidates must be energetic, incisive, commercially aware and intelligent since this is a dynamic, customer orientated business. The rewards are high and structured towards performance, reflecting the need for an individual who will respond to such a challenge.

Applicants should write, enclosing full career and salary details, quoting reference B/455/94 to David Gibbs.

**KPMG Selection & Search**

Pent House, 2 Cornwall Street, Birmingham B3 2DL.



## Director of Finance & Administration

Up to £42,000

Bow, B. London

Housing Action Trusts are in the forefront of the Government's approach to the regeneration of housing and communities in rundown urban areas. Tower Hamlets Housing Action Trust has been set up with strong support from residents to redevelop three estates in Bow over a 5-7 year period, with public funding estimated at some £80m.

The Trust now seeks its first Director of Finance and Administration to establish the necessary financial, administrative and information systems to enable it to begin its ambitious development programme.

### THE APPOINTMENT

Principal financial adviser to the Chief Executive and Trust Board of 11.

- Manages the Trust's revenue budget.
- Responsible for appraisal, subsequent financial management of major capital projects and helping to secure private finance.
- Establishes and manages the finance, administration & personnel and IT functions (up to 12 staff).
- Leads on Trust's corporate planning process.

In addition to the salary quoted above, relocation expenses will be payable in appropriate circumstances. Interested candidates should write for further details, quoting reference 90574/B, to Jane Pollard.

### THE REQUIREMENTS

- Broad based financial management background, ideally with previous board level or equivalent experience.
- Previous Public Sector experience is highly desirable.
- A well organised manager, interested in urban regeneration.
- A good verbal and written communicator, able to relate to residents, Board Members, and the DOE.
- Committed to the implementation of equal opportunity policies.

K/F Associates, Penny House, 12 Buckingham Street, London WC2N 6DF. The closing date for receipt of applications is 11th February 1994. Tower Hamlets HAT is committed to equal opportunities.

**K/F ASSOCIATES**  
Selection & Search

## Group Financial Controller

Quality Consumer  
Durables

to £35k + car

The appointment of a Group Financial Controller is key to the future expansion plans of this UK listed group (annual turnover c. £100m), whose operating businesses manufacture and supply many well-known brands within the quality consumer durables sector.

Reporting to the Group Finance Director, you will originate and develop financial policies and procedures; co-ordinate the annual budgeting programme; consolidate the reporting of financial performance; and control the treasury and taxation function of the parent company. You will also have involvement in the evaluation of potential acquisitions, other business development opportunities and special project investigations.

A Chartered Accountant with a minimum of three years post-qualification experience, you will have experience of treasury and liquidity management in a corporate H.Q. environment, where you will have advised on taxation and multi-currency arrangements. Previous involvement in acquisition programmes would be an advantage.

Your fluent computer skills will enable you to make a personal contribution to systems development, but, more importantly you will be able to show that you are an effective communicator, able to form close working relationships with professional colleagues in the operating businesses.

Scope for continued career growth is considerable for the right person, who will be attracted by a salary and benefits package in keeping with the seniority of the position.

For further information please send a full c.v. to Beverley Langley, Recruitment Consultant, The Scott Edgar Advertising Partnership Ltd, Paragon House, 75 Farringdon Road, London EC1M 3JY, quoting ref 9759.



## CHARTERED INSTITUTE

Central London neg to £33K

The Chartered Institute of Transport (CIT) is to appoint a Director of Finance & Administration. Reporting to the Director-General, the appointee will be responsible for all financial matters, membership records, information technology, personnel and office services - and will also contribute to policy making as a member of the management team.

We seek an accountant (probably chartered and with experience outside the profession), with good computer skills. He or she must have the presence and proactive communication skills to represent CIT's interests within the public and private sectors - we do not seek an eyes-down number cruncher. Remuneration on offer suggests age either 28-35 or early 50s. Some travel within the UK and overseas necessary.

Salary negotiable to £33K. Contributory pension. Lunch vouchers. Interest free loan for season ticket. Relocation not anticipated.

Please write, with appropriate details and salary history, to CIT's recruitment consultant: David Macintosh, Macintosh Enterprises, 7 Dower Park, Windsor, Berks SL4 4BQ, quoting Ref: DM/117.

## DIRECTORS SEEKING A NEW ROLE?

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INTEREXEC Call Keith Mitchell in London on 071 930 5041 or 19 Clarendon Road, London WC2E 8JL or Isabel Kettle in Edinburgh on 031 225 4414 or 63 George Street, Edinburgh, EH2 1JG

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## SENIOR FINANCE EXECUTIVE



CABLE & WIRELESS

### A Strategically Important Development Role

Cable & Wireless Plc is an established world-leader in global telecommunications, with operations in 56 countries around the world in 1993. Mercury Communications Ltd, a major subsidiary of the Group and the fastest growing large company in Europe, reported operating profits up 24%, whilst turnover exceeded £1 billion for the first time.

As a result of internal promotion, an exceptional opportunity has arisen for an outstanding finance professional to head up the operational review team of Mercury Communications. Your initial brief will be to manage this high-profile team whilst working closely with the Board, Executive Directors and joint venture businesses in adding strategic value to the continuing development and diversification of the company.

Aged under 40, you will ideally have trained and qualified with a Big 6 firm, but an ACMA/ACCA may also be considered subject to a relevant background. Specifically, you must offer significant experience outside operational review including broad-based exposure at management level with one or more commercial organisations.

Essentially, you will demonstrate the flair and intellectual agility to use this role as a springboard into a senior finance or general management position after a minimum of two years - a transition made not only by your predecessor, but also by almost all other finance professionals from this function within the last seven years.

Please apply, enclosing full CV, to Robert Half, Walter House, 418 The Strand, London WC2R 0PT. Telephone 071-836 3545. Fax 071-836 4942. Alternatively, for an informal discussion, telephone Jane Randall in strictest confidence on the above telephone number, or evenings on 081-547 0380.

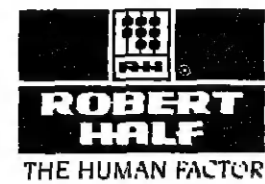
As retained consultants, any CVs submitted directly to our client will be forwarded to Robert Half.

£55,000

+ Car

+ Outstanding Benefits Package

Central London



## CROSBY FINANCIAL HOLDINGS

A leading regional merchant bank in the Asia Pacific markets, active in stockbroking, asset management and corporate finance. Now in its tenth year of operations, the group has offices in fifteen cities and is continuing to expand rapidly.

### Manager, Group Finance - Hong Kong

- **RESPONSIBILITY** is to a member of the board for financial planning and control and for special projects.
- **THE NEED** is for a qualified accountant with relevant experience, of high intellect, commercial acumen, independence of mind and excellent written and verbal communication skills.

Ref T 7702

### Financial Controller - London

- **RESPONSIBILITY** is to the UK managing director of Crosby Securities for the provision of high standards of financial reporting, control, compliance and analysis. Some group business development will be involved.
- **THE NEED** is for a qualified accountant with proven skills in financial and management accounting, gained in the securities industry.

Ref T 7705

Preferred ages 30-36. Both of these appointments carry attractive packages; career prospects are first class. Please reply in confidence, enclosing a curriculum vitae to:

TK

SELECTION

8 Hulam Street, London, W1N 6DJ. Fax: 071 631 5317  
A DIVISION OF TYZACK & PARTNERS

## LLOYD MANAGEMENT

### Insurance

## DIRECTOR OF FINANCE

Herts

£70,000 + car

Part of a well known service organisation our client is an insurance broker. New technology, rigorous cost control and the implementation of new marketing strategies, including the introduction of new products, are all expected to assist the division in its aim to become a major force in its market across Europe.

Responsible for the full financial function, the Director of Finance will have a key role to play in the division's future. It is imperative that a high quality financial control, analytical and planning service is provided to both divisional and group management. Reviewing and evaluating business performance and opportunities, he or she will be expected to make a material contribution to the continuing development of the division's strategy and will work closely with the Managing Director to ensure its achievement.

Likely to be aged 35-40, applicants should be commercially minded graduate chartered accountants with impressive career records. Experience gained in fmec would be particularly useful and excellent communication and technical skills are essential.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/93/F.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London, WC1V 6QA. 071-485 3499

## Group Financial Controller

West Yorkshire

to £45,000, bonus, car, benefits

Exceptional opportunity for talented finance professional to join a small, but focused executive team of a very highly regarded £500 million turnover publicly quoted Group with major interests in the United Kingdom and the United States. The Group has grown through a number of astute acquisitions.

### THE ROLE

- Responsibility for the group accounting function covering management and financial accounting, tax and treasury and also for motivating and developing a small, high calibre support team
- Work closely with the Group Finance Director in shaping the Group's accounting policies, controls and information systems
- Develop strong relationships with senior financial colleagues within the operating divisions and also with external advisers
- Exposure to members of the Main Board.

### THE QUALIFICATIONS

- Early/mid thirties, graduate intellect, professionally trained and qualified with a major accountancy firm
- Strong interpersonal skills required to develop quality working relationships with colleagues and staff
- High level of technical competence and proven analytical and computer skills.

Please reply in writing to BHM Search & Selection 27 York Place Leeds LS1 2EY enclosing a full curriculum vitae and quoting Reference BHM 10061. Telephone 0532 467033 Facsimile 0532 470191.



## FINANCIAL CONTROLLER



Thames Line

Our Client is a management unit of the British Railways Board, which will become an autonomous £50m turnover operating division in April 1994, with entry into the private sector anticipated within 2-3 years.

A key appointment is that of Financial Controller, who will report to the Managing Director and be responsible for:-

- Development of independent accounting and financial systems (19 staff reporting).
- Contributing to business planning, budgeting and forecasting.
- Analysing financial implications of commercial strategies and decisions.
- Supporting the Managing Director as part of the 4-strong executive team.

The challenges facing this role are numerous. The initial 2 years will focus upon cultural change, whilst subsequent activities may include raising of finance, flotation and possible diversification.

Applications are sought from qualified Accountants with a minimum of 5 years' post qualification experience within a customer-orientated organisation. Strong communication skills and the ability to manage change are essential.

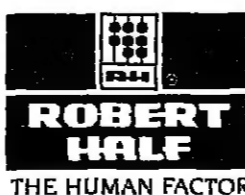
Interested individuals should write, enclosing CV, to Gerard Davies at Robert Half, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1EH. Telephone: 0753 857777 24 hrs. Fax: 0753 841676. As retained consultants, any CVs submitted directly to our client will be forwarded to Robert Half.

£40,000

+ Free Travel

+ Benefits

Reading



## Group Finance Director

Midlands

£120,000 + Share options

Our Client, a major plc, has expanded both dramatically and profitably through organic growth and acquisition. To complement their management team, they are looking to appoint a Group Finance Director of the highest calibre.

Reporting to the Chief Executive, your brief will be to make a significant contribution to business and financial planning. You will ensure that the financial management of the Group will maximise operational control and profit performance. The role carries a significant responsibility for the thrust and direction of the Group's continuing strategy for growth.

The position will necessarily involve a high degree of interface with the City and various financial institutions, and will necessitate excellent "front line" skills in representing the Group to its best advantage.

Under the direction of the Chief Executive, the Group Finance Director will be called upon to undertake a variety of ad-hoc exercises relating to on-going acquisitions and profit enhancement.

We would like to hear from qualified Accountants, experienced in Plc Financial Management, who will have an appreciation of a proactive and entrepreneurial environment.

You should have a notable track record of success combined with the desire to take a fast-moving market leader into the future.

Please apply in writing with full career and salary details, quoting reference B/458/94 to Steven French

KPMG Selection & Search

Peat House, 2 Cornwall Street, Birmingham B3 2DL.

## SOUTH AFRICA & Substantial Expatriate Package

Our client is an expanding international construction group, operating extensively throughout Africa and the Middle-East. It now seeks to recruit two key Finance Executives to enhance the continued development of the group.

### Group Finance Director

You will be responsible for leading, managing and developing the finance functions. Working closely with the Chairman and President on all strategic, commercial and operational issues, you will play a leading role in the development of institutional relationships.

Aged 35-50, you will be a Qualified Accountant with extensive international industrial experience gained at a similar level. Strong, commercial acumen is required along with excellent communication skills. The role involves travel throughout Africa, Middle-East and UK.

### Group Financial Controller

Reporting to the Finance Director, you will be responsible for the production of monthly management accounts, budgeting and forecasting, cash management, consolidation and production of statutory accounts and MIS development. You will also take on various ad hoc investigations and special assignments.

You will be an enthusiastic, highly motivated Qualified Accountant, aged 30-45 with a proven commercial background, with the ability to work through your own initiative.

Both positions are based in the group's main administrative office in Johannesburg, and offer a highly challenging environment with excellent long term opportunities. In return the client is prepared to offer highly attractive expatriate packages.

Please contact Warwick Holland for further information or forward your CV to:



**MICHAEL WARWICK**

Water Court, 10b St Paul's Square, Birmingham, B3 1QU  
Telephone: 021 233 9303, Facsimile: 021 233 0855.

## Blending accounting, management and interpersonal skills in healthcare Manager – Contracting and Planning

South Coast

to £30,000 + lease car

UK healthcare continues to undergo radical change with contracting and planning for services as a key part of the process. A leading NHS Trust is fast developing its contracting approach to secure the current wide ranging patient services and the budget of £57 millions. At the same time their strategy foresees new and updated services in line with the requirements of healthcare commissioners – health authorities and GPs. These will enable improvements for over 35,000 inpatients and 130,000 outpatients treated each year.

The role they seek to fill is the focus of their business planning, contracting and monitoring activity within an existing team. It offers opportunities to blend accounting, managerial and interpersonal skills – internally with healthcare professionals and others amongst the 3,000 staff; and externally with commissioners of healthcare.

The successful candidate will be a qualified accountant who offers:

- experience of rigorous business and financial planning;
- success in project management where cash is limited and customer needs are paramount;
- an interpersonal style which has brought results through influence and negotiation.

Success in the role will provide personal development opportunities and attracts a competitive package, including possible relocation assistance.

Please write in confidence to Stewart George, Search and Selection Division, Breckenridge Consultants Ltd, Charter House, 428 Avebury Boulevard, Central Milton Keynes, MK9 2HS, clearly indicating your suitability, current or last earnings and quoting reference 226/FT.

**BRECKENRIDGE**  
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Claire Pissard on 071 873 4027

## CHIEF INTERNAL AUDITOR B.A.A.

CENTRAL LONDON

c.£40,000 UPWARDS + CAR + BENEFITS

BAA Plc is the world's biggest independent airport company with Group revenue of over £950 million. Activity spans four key business sectors: airport services, retail outlets, property and construction all of which are universally renowned.

An exceptional opportunity exists for an individual of the highest calibre to join this first class organisation heading the Internal Audit function.

This is a crucial role and responsibilities will encompass:

- management of the internal audit department including staff development and training

- control over all audit assignments
- conducting and supervising special assignments and investigations
- liaison with outside bodies and the Group's external auditors

The role demands excellent interpersonal and man-management skills including the ability to work with a dynamic team. Tact and diplomacy are essential together with attention to detail and an ability to take an overview.

This challenging position is ideally suited to an independent individual who has the ability to motivate themselves and others.

The successful candidate will be a qualified chartered accountant with more than ten years of broad accounting experience including recent exposure to a senior internal audit role within industry. A knowledge of retail and engineering/construction would be an advantage although not essential.

Interested applicants should apply immediately to Caroline Stockdale at Robert Walters Associates, 25 Bedford Street, London WC2E 9HP, or alternatively telephone 071 379 3333 or fax 071 915 8714

**ROBERT WALTERS ASSOCIATES**

## Leading US Investment Bank Recently Qualified Chartered Accountants

£ Excellent plus Car, Bonus, Benefits

Our client is one of the world's most powerful and profitable financial institutions and a pre-eminent force in global securities markets. The impressive growth of its well established European operations has presented the firm's London based financial management team with new challenges. The client now seeks to identify a number of first rate, recently qualified Chartered Accountants who wish to further their careers within a leading US investment bank.

The client's financial management team is responsible for product support, financial accounting and control, management information, regulatory reporting and taxation. There is considerable flexibility to accommodate your career interests and development within this structure.

Candidates must be high calibre graduate Chartered Accountants who can demonstrate considerable academic and professional achievement. Strong quantitative and analytical abilities, along with well developed interpersonal skills, are essential. Energy, the willingness to work hard and the determination to succeed are prerequisites. Experience of financial institutions would be an advantage.

Successful candidates will be fully challenged by an exciting, fast moving environment. In a culture which rewards performance your prospects for pay and promotion will be outstanding.

Interested candidates should write to Janet Bullock at BBM Associates Ltd (Consultants in Recruitment), enclosing a full C.V. which should include contact telephone numbers. All applications will be handled in the strictest of confidence.

76, Wading Street, London EC4M 9BJ

**BBM**  
ASSOCIATES

Tel: 071-248 3653 Fax: 071-248 2814

## FINANCIAL ANALYST Essex - c.£30,000 + Car

Our client is a major International Company within the consumer product market, with extensive brands worldwide. The organisation's ability to react to change combined with the aim of total quality has kept them at the forefront of this industrial sector.

The company now seeks to appoint an ambitious individual to provide financial control for the manufacturing operation, reporting to the Group Operations Director with extensive interface with the Group Finance Director.

The ideal candidate will be a qualified Accountant, aged between 25-30 with a proven track record in a high volume manufacturing company. Strong communication skills and the ability to contribute effectively within a dynamic environment are a prerequisite.

Interested candidates should forward a comprehensive Curriculum Vitae to Nigel Lynn ACMA, quoting reference NI315.

**NIGEL LYNN ASSOCIATES**  
Accountancy Recruitment

25/27 Windhorse Street Basingstoke Hants RG21 1EE. Telephone: 0256 840108  
1 Temple Chambers Temple Street Swindon Wiltshire SN1 1BQ. Telephone: 0793 431221

### GROUP FINANCIAL CONTROLLER SALARY £20K - £35K CAR, PENSION, BONUS POTENTIAL

A commercially minded, qualified, ambitious individual is sought for this role in support of the Group Finance Director in a South Yorkshire based manufacturing and distribution company.

A wide range of skills and experience is required, to include financial and cash management, statutory accounting, budgetary control and standard costing. These skills should be combined with a high degree of computer literacy and systems knowledge. The candidate must be a good team member, proactive, highly analytical and challenging yet persuasive in person and writing. Some experience of international subsidiaries and consolidation would be beneficial as would be the ability to speak French.

Preferred age is 30-35.

Write to Box B1966, Financial Times, One Southwark Bridge, London SE1 9HL

## CONSOLIDATION ACCOUNTANT

Competitive package \* Redhill

Fisher-Rosemount is a major supplier of control equipment to chemical and process industries worldwide. With an annual European turnover of \$800 million, we now seek a Graduate Chartered Accountant with previous experience of the Micro Control system, to work with our European subsidiaries.

This role is highly technical, involving the monthly consolidation of financial information for all European locations and high profile direct liaison with the company's top executives. In addition to the planned operational activities, there will also be considerable ad hoc project work incorporating some international travel.

With at least 2 years industry experience in a similar role, preferably with a US subsidiary company in a multi-currency environment, you must have outstanding PC ability, particularly Lotus 123, and extensive modelling and macro skills.

Based in a newly established Headquarters, you can expect a very competitive benefits package including car. Career prospects, particularly for candidates prepared to relocate to mainland Europe, are excellent.

Please send a full CV, including details of current salary to Mr P.R. Shuter, Fisher-Rosemount Europe, Clarendon House, Clarendon Road, Redhill, Surrey RH1 1FB

Closing date for applications 31st January 1994

**FISHER-ROSEMOUNT**

### APPOINTMENTS WANTED

**ASSIGNMENTS WANTED  
MANAGEMENT ACCOUNTANT  
IN PRACTICE**  
FCMA (40) practicing Cert. Systems Degree. Own Ltd. firm. IT financial control, project accounting, activity based costing, product and customer profitability improvement, systems development.  
TEL: 081-402 1774

### WILY OLD FOX

or Viven wanted to assist team of dynamic and fast growing women's fashion retail group, to seek out and eliminate waste and bad practice. Suitably qualified and experienced women, members of ethnic minorities and people with disabilities who are currently under-represented at this level at OUPC.  
Write to Lorraine McCarthy, Box B1988, Financial Times, One Southwark Bridge, London SE1 9HL.

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information  
please call:

Gareth Jones  
on  
071 873 3199

Andrew  
Skarzynski on  
071 873 3607

## Head of Finance and Management Information

London £28,000 - £30,000

Established for twenty five years, the Institute for the Study of Drug Dependence is one of the world's leading, independent sources of information on drug dependence. The Institute's library, publication and information services are considered to be the most comprehensive and sophisticated in the field. This is reinforced by an active research department which undertakes studies related to practical responses to drug problems.

Working closely with the Director and Council, your primary role will be to develop and maintain effective systems for both financial control and the provision of financial and non-financial management information. This is a wide ranging role requiring input and contribution at both the strategic and operational levels.

Candidates should be qualified accountants with broad based financial skills and previous experience of senior line management. Direct experience of implementing computerised financial and management information systems will be particularly important. The ability to manage change and to communicate effectively with non-financial managers are also essential requirements.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Ann Shepherd, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference AS1004 on both envelope and letter.

**Sunset**  
H.O.L.I.D.A.Y.S

### FINANCE DIRECTOR

BASED BOLTON, SALARY UP TO £40,000 + BENEFITS

Leading Holiday Tour Operator is looking for a qualified accountant, preferably aged 30-45 years to be responsible for the day to day control of all aspects of the financial administration, including preparing cash flows, budgets, management and financial accounts.

This is a key role whose function would be to report to the Board of Directors. The suitable candidate will have a proven track record in a similar industry and requires somebody with extensive computer literacy, leadership and communication skills.

Please send C.V. and details of current salary to Mr P.R. Patterson, Chairman, Sunset Holidays Plc, Sunset Business Centre, Manchester Road, Nearsley, Bolton BL4 6RT